

<b>PHA 5-Year and Annual Plan</b>	<b>U.S. Department of Housing and Urban Development Office of Public and Indian Housing</b>	<b>OMB No. 2577-0226 Expires 4/30/2011</b>
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**CITY OF RONAN HOUSING AUTHORITY**

**FIVE YEAR PLAN**

**FOR YEARS**

**JULY 2010 THROUGH JUNE 2015**

City of Ronan Housing Authority  
PO Box 146  
Ronan Montana 59864

Submitted by  
Jan Niemeyer  
Executive Director

<b>1.0</b>	<b>PHA Information</b> PHA Name: _____ City of Ronan Housing Authority _____ PHA Code: <u>MT 036</u> ✓ PHA Type: <input checked="" type="checkbox"/> Small <input type="checkbox"/> High Performing <input type="checkbox"/> Standard <input checked="" type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: (MM/YYYY): <u>07/2010</u>														
<b>2.0</b>	<b>Inventory</b> (based on ACC units at time of FY beginning in 1.0 above) Number of PH units: <u>0</u> Number of HCV units: <u>36</u>														
<b>3.0</b>	<b>Submission Type</b> <input checked="" type="checkbox"/> 5-Year and Annual Plan <input type="checkbox"/> Annual Plan Only <input checked="" type="checkbox"/> 5-Year Plan Only														
<b>4.0</b>	<b>PHA Consortia</b> <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below.)														
	Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	<table border="1"> <thead> <tr> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table>	No. of Units in Each Program		PH	HCV						
No. of Units in Each Program															
PH	HCV														
	PHA 1:														
	PHA 2:														
	PHA 3:														
<b>5.0</b>	<b>5-Year Plan.</b> Complete items 5.1 and 5.2 only at 5-Year Plan update.														
<b>5.1</b>	<b>Mission.</b> State the PHA’s Mission for serving the needs of low-income, very low-income, and extremely low income families in the PHA’s jurisdiction for the next five years:  The City of Ronan Housing Authority was organized as a public housing authority under the laws of the State of Montana in 1992for the purposes of: (1) expanding homeownership and affordable housing opportunities for the low income population of Ronan, (2) empowering the poor and low income population through reasonable residential management programs and participation in developing housing policies, (3) providing housing and other needed assistance to the community’s elderly and physically and mentally disadvantaged to help them lead more independent and dignified lives.  This mission was expanded to include all the residents of Lake County and developing a housing counseling program to help community members with home ownership opportunities issues and assistance with rental issues. The PHA is also working with other providers to develop housing opportunities for families transitioning out of abusive relationships or institutional environments and the expanding homeless population in Lake County.														

5.2

**Goals and Objectives.** Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.

In the 2005 plan, the PHA intended to focus on these areas:

- (1) Expand and update the current market study-the PHA participated in and provided input into the housing portion of the development of the City of Ronan's growth policy completed in 2009. The PHA also worked with the local community development corporation in their efforts to update the Community Economic Development Policy for Lake County.
- (2) Housing Counseling- The PHA and its component unit, Lake County Community Housing (CHDO) were successful in becoming a certified housing counseling agency and now works with the NeighborWorks of Montana to provide rental and home buyer counseling for Lake County residents.
- (3) Increase the availability of HCV for area residents-the PHA has not been successful in this effort and has actually lost some rental assistance opportunities for Lake County residents due to the termination of the HOME TBRA program by the State of Montana. Working through the CHDO the availability of subsidized units in Lake County was increased by 7 as two USDA 515 projects were completed. The PHA submitted an application for Non Elderly Disabled Vouchers through this year's HUD NOFA.
- (4) Section 8 home ownership-The PHA closed one homeownership voucher last year and is counseling other voucher clients about homeownership opportunities.
- (5) Family Self Sufficiency program- this program has not been successful for the PHA
- (6) Long term organizational stability- By controlling administrative costs and consolidating operations with the CHDO, the PHA is self sustaining however new project development activities is being sacrificed.

Next five year goals and objectives:

- (1) Development of affordable housing – in conjunction with the CHDO the PHA will use HOME and Rural Development 515 funds to add four 3 bedroom units to its stock of rental units.
- (2) Expand availability of rental assistance-the PHA will continue to search for and apply for any form of rental assistance for its 150 client waiting list such as the recent application for vouchers for non-elderly disabled families offered by HUD The PHA will continue to work with the Blackfeet Housing Authority to offer vouchers for students attending college from that reservation.
- (3) Home Ownership- The PHA has used HOME and AHP funds to help over 70 families purchase houses in Lake County over the past 15 years. Due to recent and ongoing changes in mortgage lending rules and economic issues that have decreased the demand for home ownership this program has not been as active. The PHA will continue to partner with the leader in Statewide homeownership efforts, NeighborWorks of Montana, and the local Rural Development office to provide homeownership opportunities for eligible clients.
- (4) Housing Counseling- The CHDO is a HUD certified housing counseling agency and partners with NeighborWorks to provide homebuyer training and renter counseling for our clients. Home buyer training classes are scheduled monthly and homebuyer counseling is available by appointment. Renter and fiscal responsibility training programs are being developed and presented by a partnership of the nearby Salish Kootenai Housing Authority and the County Extension office. Renter clients with chronic payment problems will be required to enroll in these courses as they become available
- (5) Section 8 Home Ownership- The PHA partnered with the local Rural Development office to place one section 8 client in her own home. Using that model the PHA will be able to identify and encourage other voucher holders to own their own homes.
- (6) Transitional Housing – The PHA does not have the administrative capacity to manage transitional or homeless housing, even though it has been identified as an expanding community housing need. However the PHA is working with other social agencies to develop a transitional housing strategy and will assist by using CHDO access to HOME funds to finance the acquisition or construction of a facility. The CHDO experience with Rural Development funding in the development of low income housing will facilitate the advancement of this type of housing.
- (7) Staff Development: Continue to cross train staff so that each of our limited staff is aware of and up to date on all aspects of the RHA's housing programs; Recruit and train motivated and caring personal that can help the organizations grow in capacity and service for clients and Lake County.
- (8) The clients of the HA and its affiliate are welcome to give inputs in the management of their housing units on a one to one basis but heretofore there has not been a clear or organized way other than the grievance process to contribute to how their units are ran. Therefore positions on a resident advisory board will be offered to all clients of the HA by handouts and mailings. Interested parties will be instructed to contact the housing office for an organizational meeting date and time.

6.0	<p><b>PHA Plan Update</b></p> <p>Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission:</p> <ul style="list-style-type: none"> <li>(a) The PHA has added an emphasis on helping partner organizations solve the homeless population and transitional housing problem in Lake County;</li> <li>(b) To weather the ongoing slump in home ownership demand in the area the PHA will access of HOME funds for homeownership through the partnership with NeighborWorks of Montana. The PHA will reapply for HOME funds for home ownership when it builds the capacity to meet the new HERA regulations for non profits.</li> </ul> <p>Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions. Copies of the plan are available at 21 2<sup>nd</sup> Ave SW in Ronan MT 59864</p> <p>Plan Elements include</p> <ul style="list-style-type: none"> <li>• Eligibility- RHA keeps an open and consolidated waiting list for 36 section 8 vouchers, 24 rent subsidized Rural Development apartments, 27 HOME apartments, 36 tax credit units and 29 Rural Development 515 senior housing units. Attached as addendums are administrative plans for these projects that guide the selection and admission of clients into the voucher program or housing units.</li> <li>• Financial resources for the PHA include section 8 program funds, rental income, property management fees. Blackfeet Student voucher funds for college students from the Blackfeet Indian Reservation, CDBG program income and reimbursements for housing counseling. Attached is this years operating budget.</li> <li>• Rents for HA owned or managed units are based on HUD published FMRs, HOME and LIHTC program established rents. From time to time these rents are compared to advertised prices in the local newspaper. For RD subsidized units, net tenant rent is based on income calculations as specified by RD regulations. Procedures for rent determination are included in the attached Administrative Plan.</li> <li>• The PHA has adopted a grievance policy included as an addendum.</li> <li>• The RHA component CHDO owns the Maxwell Senior Apartments, 21 units in Ronan and 8 in St Ignatius. These RD rent subsidized units are for senior or handicapped tenants only. CHDO also owns 8 units of RD subsidized senior or handicapped units in Polson. The waiting list has 10 elderly families and 32 handicapped families waiting for homes in Lake County.</li> <li>• According to the lease, the PHA is not allowing pets into its rentals, since this is the most problematic lease violation and difficult to control, the PHA is considering changing the policy to allow responsible pet owners tenancy.</li> <li>• The 2009 audit was recently completed and is attached</li> <li>• Violence Against Women Act- RHA includes a VAMA statement in its rental policy, an attachment to the standard lease.</li> <li>• Homeownership is advocated by RHA through its section 8 homeownership and housing counseling programs.</li> </ul> <p>These attachments are included in this plan.</p> <ul style="list-style-type: none"> <li>a) Administrative Plan for PHA and CHDO waiting list for rental units and section 8 vouchers including FMR determination.</li> <li>b) Fair Housing Addendum</li> <li>c) Civil Rights Certification</li> <li>d) Rental Policy includes a section on Violence Against Women Act</li> <li>e) Lease and tenant rules with pet policy</li> <li>f) Grievance Policy</li> <li>g) Typical RD 515 management plan</li> <li>h) Section 8 Homeownership administration plan</li> <li>i) Current year operating budget</li> <li>j) Copy of recent audit</li> </ul>
7.0	<p><b>Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers.</b> <i>Include statements related to these programs as applicable.</i></p>
8.0	<p><b>Capital Improvements.</b> Please complete Parts 8.1 through 8.3, as applicable.</p>
8.1	<p><b>Capital Fund Program Annual Statement/Performance and Evaluation Report.</b> As part of the PHA 5-Year and Annual Plan, annually complete and submit the <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i>, form HUD-50075.1, for each current and open CFP grant and CFFP financing.</p>
8.2	<p><b>Capital Fund Program Five-Year Action Plan.</b> As part of the submission of the Annual Plan, PHAs must complete and submit the <i>Capital Fund Program Five-Year Action Plan</i>, form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan.</p>
8.3	<p><b>Capital Fund Financing Program (CFFP).</b>  <input type="checkbox"/> Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.</p>

9.0	<p><b>Housing Needs.</b> Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.</p> <p>Based on the 2010 Montana Housing White Paper produced by the Montana Department of Commerce, the median household income of Lake County is \$38,505 an income that can afford a \$135,500 house while the median house costs \$184,500 a \$59,000 gap, this has resulted in an ownership rate decreasing from 71.5% to 68.5%. Lake County is one of the 11 counties in Montana that a median household renter must pay more than 30% of the renter household income for rent; the average retail sales clerk with a \$8.50 per hour job pays 35% of their income for a standard 2 bedroom apartment, a family with disabilities on SSI + SDI pays over 50% while a senior on social security will pay 60%. The number of households in the County grew by 31% in the last decade and it is projected that at that rate of growth another 7000 homes will be needed by 2025. This is in addition to the 2300 houses currently in poor condition that should be either replaced or destroyed in the next 15 years, however given the projected demand for housing will probably be kept in the housing inventory as very low quality rentals. Lake County has one of the highest levels of poor in the State with a poverty rate of over 21% leaving over 6200 families with minimal resources to pay basic housing needs.</p> <p>There are 140 families on the PHA's waiting list, 40 were added in the months of August and September while 24 were deleted from list for not updating their application. Since it generally takes over two years to get an assisted unit or a voucher it is likely that many of these families simply gave up. Of the 140 remaining on the list, 62 families are single parent and 70 are threatened with homelessness. There are 40 employed or semi-employed families waiting for housing assistance, another 64 are on social programs such as GA and TANF and 36 are on SSI or social security. Further analysis yields the following needs:</p> <p>Bedroom sized needed</p> <table border="0"> <tr><td>1 br</td><td>48</td></tr> <tr><td>2 br</td><td>75</td></tr> <tr><td>3 br</td><td>52</td></tr> </table> <p>There are 10 elderly families and 32 disabled families, of these, 20 are non elderly disabled, 7 are elderly families with disabilities and 5 are families with disabilities and they need housing of this size:</p> <table border="0"> <tr><td>1 br</td><td>26</td></tr> <tr><td>2 br</td><td>3</td></tr> <tr><td>3 br</td><td>3</td></tr> </table> <p>There are 9 Hispanic families, 49 white, 2 black and 87 native Americans. Even though the Salish Kootenai Housing Authority exclusively serves their own Native American population in Lake County, a majority of the waiting list is tribal, mostly Native Americans from other reservations seeking opportunity here due to the quality of education provided by the local Salish Kootenai College.</p>	1 br	48	2 br	75	3 br	52	1 br	26	2 br	3	3 br	3
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9.1	<p><b>Strategy for Addressing Housing Needs.</b> Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. <b>Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.</b></p> <p>The PHA will continue to find ways to assist the lower income renters of Lake County afford decent housing, through applications for additional vouchers as they become available, the development of addition RD 515 projects with rental assistance. The 36 section 8 vouchers and the RD 515 assisted units are targeted to the very low income families on the waiting list while the low income population or those families receiving rental assistance from other programs are assisted with affordable tax credit or HOME units. The HA will continue to use programs such as Rural Development 515, HOME and LIHTC to keep the cost of any housing constructed as affordable as possible.</p> <p>The gap in affordability for home buyers will continue to be addressed with homebuyer education that focuses on financing opportunities including the Rural Development home ownership programs, the HOME homebuyer second loans and the AHP first time homebuyer programs.</p> <p>Homelessness is a developing problem for Lake County Montana. Factors increasing the homeless rate include the closure of the Plum Creek sawmill with a loss of 90 full time jobs and the decreased demand for new homes impacting housing construction jobs helping drive the Lake County unemployment rate to over 11%. Job loss and the associated stresses contribute to domestic violence, divorce and substance abuse-all major precursors to homelessness. Seventy families on the PHA maintained waiting list are threatened with homelessness. Many of these families consist of a mother and several children with no income and have been forced to move in with parents or friends in short term emergency arrangements. The applications list long past deadlines imposed by their benefactors to find their own space.</p> <p>These low skill single parent families need long term voucher or unit based assistance while the family tries to find a way out of poverty in a difficult economic environment. The currently homeless include people trying to move out of the Transitional living Center the Salish Kootenai Tribes maintains for their tribal members and require long term SRO or further supported transitional housing. A smaller portion of the waiting list is living in tents and campers where ever they can find space, these families need immediate assistance in homeless shelters with the potential to move into supported transitional housing.</p> <p>As noted above the PHA will continue to develop affordable family housing using HOME, Tax Credits and RD 515 funds to provide housing opportunities for families with children. Realizing that the PHA's capacity for social work is limited, to address the needs of the transient homeless and the newly homeless, the PHA will work with other organizations with the capacity to manage Continuum of Care or Shelter Care like programs such as Safe Harbor and Western Montana Mental Health to develop transitional and supported housing.</p>
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<p><b>10.0</b></p>	<p><b>Additional Information.</b> Describe the following, as well as any additional information HUD has requested.</p> <p>(a) Progress in Meeting Mission and Goals. Provide a brief statement of the PHA’s progress in meeting the mission and goals described in the 5-Year Plan.</p> <p>Development of more affordable housing is delayed due to the latest RD funding application not chosen, the PHA is waiting notification of the success of the latest voucher application for non elderly disabled families, and demand for home ownership is down due to economic conditions. A transitional housing collation continues to seek funding for a shelter in the area.</p> <p>(b) Significant Amendment and Substantial Deviation/Modification. Provide the PHA’s definition of “significant amendment” and “substantial deviation/modification”</p> <p>A “significant amendment” to our plan would be a policy change in our delivery of the program that would have an impact on the applicants we currently serve in the areas we serve.</p> <p>A “substantial deviation/modification” to our plan would be a change in our current policy that would change the number of units that we allow optional program opportunities (project-base, homeownership, FSS, etc)</p>
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<p><b>11.0</b></p>	<p><b>Required Submission for HUD Field Office Review.</b> In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. <b>Note:</b> Faxed copies of these documents will not be accepted by the Field Office.</p> <p>(a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights)</p> <p>(b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only)</p> <p>(c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only)</p> <p>(d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only)</p> <p>(e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only)</p> <p>(f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations.</p> <p>(g) Challenged Elements</p> <p>(h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only)</p> <p>(i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)</p>
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**ADDENDUM A**

**RENTAL ASSISTANCE POLICY MANUAL  
FOR  
RONAN HOUSING AUTHORITY (RHA)  
and  
LAKE COUNTY COMMUNITY HOUSING (CHDO)**

**SECTION 8 HOUSING CHOICE**

**VOUCHER PROGRAM**

**AND**

**RURAL DEVELOPMENT  
515 HOUSING ASSISTANCE PROGRAMS**

(Revised 10-01-2010)

## NONDISCRIMINATION

The Ronan Housing Authority ("RHA") will administer the Section 8 and all Tenant Based Rental Assistance Programs in a manner that will ensure consistent and fair treatment to all persons interested in program participation.

The RHA will not discriminate at any stage of the application/participation process because of race, color, national origin, religion, creed, age, gender, familial or marital status, or physical or mental disability. The RHA is bound by the nondiscrimination requirements of Federal, state, and local law. The RHA will abide by the nondiscrimination requirements of:

- A. Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, or national origin in programs receiving Federal financial assistance 42 U.S.C. 2000d;
- B. Title VIII of the Civil Rights Act of 1968, which prohibits discrimination based on race, color, religion, national origin, or sex in the sale, rental or advertising of housing;
- C. Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination based on handicap in programs receiving Federal financial assistance 29 U.S.C. 794;
- D. The Age Discrimination Act of 1975, which prohibits discrimination based on age in programs receiving Federal financial assistance 42 U.S.C. 6101-6107;
- E. Executive Order 11063, which required the U.S. Department of Housing and Urban Development ("HUD") to take whatever action is necessary to prohibit discrimination based on race, color, national origin, religion (creed), or sex in housing receiving Federal financial assistance;
- F. Fair Housing Act of 1988, which amends Title VIII of the Civil Rights Act of 1968, prohibits discrimination in housing on the basis of handicaps and familial status 42 U.S.C. 3610-3619;
- G. ADA Act, Title II of the Americans with Disabilities Act, 42. U.S.C. 12101 as applicable;
- H. Montana Human Rights Statutes, Title 49 of the Montana Codes Annotated which prohibit discrimination based on sex, marital status, race, creed, religion, age, familial status, physical or mental disability, color or national origin.

No preference will be shown any applicant because of political affiliation or acquaintance with any public official at the Federal, state, or local level. In addition, there shall be no discrimination against any applicant receiving part or all of his income from public assistance or based upon the location of housing selected by the applicant, providing such applicant is otherwise eligible.

RHA policies relative to Acquisition, Displacement and Relocation, Affirmative Marketing, Equal Opportunity, Fair Housing and maintaining a Drug-free Work Place may be found in the addenda attached to this plan.



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## **APPROACH AND OBJECTIVES IN PROGRAM ADMINISTRATION**

The objective in the administration of the Section 8 and Rural Housing 515 Rental Assistance Program is to provide affordable, safe, decent, sanitary housing to very low- income and low- income families residing within the boundaries of Lake County, Montana. The RHA and CHDO will ensure through its administration of the program that participants will be aware of the wide variety of housing types and neighborhoods available to them. All efforts will be made to ensure that participants take advantage of the freedom of housing choice and expansion of housing opportunities made possible by the Section 8 and 515 Programs. By consistent and thorough enforcement of minimum housing quality standards, these programs will enhance community efforts to improve and maintain the existing housing stock. This Administrative Plan addresses all local discretionary program functions in the Section 8 Voucher and 515 Programs. All other operational procedures will be developed and implemented according to Federal regulations found at 24 Code of Federal Regulation 982, Part 5. The requirements of the Section 8 Housing Assistance Payments Program, Existing Housing and Moderate Rehabilitation Processing Handbook, 7420.3 and Section 8 Occupancy Requirements of Subsidized Multifamily Housing Program Handbook 4350.3 will also be followed. The requirements of Rural Development Hand Book 2-3560 will determine the policies for the 515 program, The RHA further assures all programs are administered in accordance with its policies and procedures established in accordance with the Fair Housing Act and attached as an Addendum, including Acquisition, Displacement and Relocation Policy; Affirmative Marketing Policy; Equal Opportunity Policy; Fair Housing Policy; and Policy to Ensure a Drug-Free Workplace.

### **Jurisdiction**

Section 8 Vouchers: Section 8 Vouchers may be issued only within the jurisdiction of the RHA, which includes the City of Ronan, Montana and a ten mile radius thereof.

### **Rural Development 515 Program**

The CHDO owns and manages 53 USDA 515 apartments in Lake County including 24 mixed use and family units in Polson, 21 elderly apartments in Ronan and 8 elderly units in St. Ignatius.

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## **DEFINITIONS**

### **RHA and CHDO**

The City of Ronan Housing Authority is City of Ronan sponsored governmental agency primarily responsible for especially low income housing activities within a ten mile radius of the Ronan City limits. RHA owns 27 units of rental housing in Ronan including 8 tax credit apartments and is responsible for 36 section 8 vouchers and portable voucher units from the Blackfeet Housing Authority. The Lake County Community Housing Organization is private non-profit component unit of the Housing Authority and is organized to enhance low income housing activities through out Lake County. The CHDO owns 71 apartment units of which 53 are Rural Development 515 projects and Rural Development and tax credit in Polson, Ronan and St Ignatius. Collectively the RHA and CHDO are referred to as the Housing Authority or RHA or HA.

### **Section 8 Vouchers**

Section 8 Vouchers are currently funded for one year at a time from the Department of Housing and Urban Development. All payments of Vouchers are issued directly to the landlord.

### **USDA Rural Development 515 Apartments**

The CHDO owns and manages 53 USDA 515 apartments in Lake County. The 515 program offers rental assistance to needy families qualified for the units on 52 of these units. Qualified tenants pay 30% of their income for rent.

### **Referred Assistance for Homeless Families**

Assistance is available for homeless families with minor children who have been pre-qualified and directly referred by the Family Crisis Center or Department of Family Services. Families must have a minimum six month lease in order to access the funds. The fund is used to provide the security deposit and up to two month=s rent to qualified families who cannot otherwise be helped due to the length of the waiting list or, for other unforeseen reasons, may not qualify for 515 or Section 8 assistance.

**Applicant**

A person or a family that has applied for housing assistance.

**Family**

A family is either a single person or a group of persons and includes:

- (1) a household with or without children; a child who is temporarily away from home due to placement in foster care should be considered a member of the family;
- (2) an elderly family;
- (3) a family with disabilities;
- (4) a displaced family;
- (5) the remaining member of a tenant family; and
- (6) a single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

**Elderly Family**

A family whose head of household or spouse or sole member is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

**Family with a Disability**

A family whose head, spouse or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

**Live-in Aide**

A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- (1) is determined to be essential to the care and well-being of the person(s);
- (2) is not obligated for the support of the persons; and
- (3) would not be living in the unit except to provide the necessary supportive services.

**Displaced Family**

A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

**Hard to House**

A family qualifies as Hard to House if there are three or more minors or if there is a disabled family member and the family is moving to a different unit.

**Remaining Family Member**

A family member of an assisted tenant family who remains in the unit when other members of the family have left the unit.

**Continuously Assisted**

There may be times when a participating family needs to move from their unit and is not in a position to immediately start a housing search. The family may request, in writing, a deferral of subsidy issuance for a period up to 180 days for medical, educational or employment reasons.

1. Reasons to need a break in assistance:
  - a. Care of a child, parent, or other relative with a serious health condition, including psychological support.
  - b. The head of household=s own serious health condition.
  - c. A participant family member has the opportunity to be employed or to receive educational benefits in an area that has no eligible housing opportunities at this time. There must be the possibility of eligible housing available by the end of the 180 day subsidy deferral.
2. Participant Requirements - The participant has primary responsibility for requesting a break in assistance and providing the required information or documentation to support the request before they move from the current assisted unit. The participant is expected to request leave in advance and in writing, except in emergencies or other unforeseeable circumstances. Advance notice is typically thirty days, in accordance with rescission of the lease, or as soon as practical.
3. HA Requirements - Normal verification procedures and time frames will be followed in confirming the break in assistance request.
  - a. For educational and employment request, verification will include written verification from the educational facility or employer and rental market documentation that eligible housing is not available.
  - b. For medical verification, a statement from the affected family member=s doctor will be required. If the medical statement is incomplete or deficient, it will be returned to the participant with a reasonable period of time to correct the deficiencies. If there is reason to doubt the validity of the medical opinion, the HA has the right to require a second opinion. If the second opinion and the original opinion conflict, the HA has the right to request a third opinion. Second and third opinions must be paid for by the HA.
  - c. If the information the participant supplies is insufficient, the HA will start termination of assistance procedures with the right of appeal.
  - d. Once the HA has determined that the requested break in assistance is qualified, written notice will be given within five business days from when the designation was made. If the break has already begun, the notice will be sent to the participant at the last known address by certified mail, return receipt requested.

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**APPLICATION REQUIREMENTS**

A Lake County Housing Assistance Office Application Form, attached as an addendum must be filled out in full to be placed on the waiting list.

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**PREFERENCES FOR SELECTION**

The waiting list is not based on any preferences, some apartments and subsidies may be available only to elderly or disabled families and these families may move ahead of others when one of these units is available. All applicants are reviewed on first come, first served basis except as provided under the “Waiting List Procedures” below.

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**WAITING LIST PROCEDURES**

A merged waiting list will be maintained for all eligible families wishing to participate in the section 8 voucher, rental or 515 programs. Selection of families will be by date and time. The waiting list is always open applications are excpted on a continuous basis to ensure a sufficient number of eligible applicants.

If at any time there is a shortage of applicants, notification of the opening of the waiting list will be published in the local newspapers as well as notification sent to the State Department of Commerce Section 8 Program Manager to be included in a mailing to Lake County residents appearing on the State's Section 8 waiting list. Also, assistance will be enlisted from community groups and agencies such as church groups, advocacy groups for the homeless, elderly and disabled who are service providers and whose primary target is low-income groups of people. The HA will consider closing its waiting list when it has insufficient funds available to assist all applicants on the waiting list over a reasonable period of time, i.e. 12 to 24 months. This prevents false hope among families that assistance will be available in the near future.

A family will be processed through the waiting list using the following procedures:

- A. In order to be placed on the waiting list an interested family must complete an initial eligibility application. Applications are available at HA or will be mailed upon request.
- B. Applications/certifications will be dated and time stamped upon receipt in the HA office and names will be placed on the waiting list in the strict order in which they are received.
- C. All applications will be reviewed to determine if the family appears to meet income and family definition requirements of this Plan and HUD regulations.
- D. The appropriate bedroom size will be determined based upon the subsidy standards stated within the Administration Plan and the family will be placed on the waiting list by time and date of application. Bedroom size is provided as a guideline only. A client may be approved for assistance in a unit larger or smaller than the specified standard if they are unable to find a suitable unit of the specified size or where other special need circumstances apply.
- E. Final eligibility will be determined upon verification of income and data submitted at the time the applicant=s name comes up to the top of the list and funding becomes available to provide assistance.
- F. If, at the time the applicant=s name has come to the top of the list and is then determined to be ineligible, the applicant will be notified in writing and advised of the reasons for the determination. They will also be advised of their right to request an informal review of the decision by notifying HA within 10 days of the notification.

- G. Opening, closing and reopening of the waiting list will be announced by public notice in the local newspapers with similar notice to interested social service groups.
- H. All changes in family income, composition, address or telephone number must be reported to the HA by the family.
- I. HA maintains a single waiting list for Section 8, 515 and housing applicants, and applicants are selected from the top of the list based on date of application and the availability of funds for the program for which they are eligible. Households who are selected for rental housing without assistance because of the availability of a unit and also meet the qualifications for RHA=s Section 8 program do not lose their eligibility for Section 8, and remain in their place on the waiting list. Applicants will be placed on the waiting list at the date of application. A new application will be sent to the applicant with their 90 day reminder of contract expiration.
  - j. Applicants that refuse to take an assisted unit or a voucher will lose their place on waiting list and their name will be moved to the bottom and the next qualified person will be granted the opportunity.
  - k. When a unit or voucher becomes available the next qualified applicant will be notified by phone. The family will have two days to respond before the next qualified family is contacted.
  - l. It is the responsibility of the family to provide current contact information.

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**REMOVING NAMES FROM THE WAITING LIST**

Applications are good for six months. At six month intervals, letters will be sent to each applicant on the waiting list asking if they are still interested in remaining on the waiting list. Applicants are required to update information and must reply in writing within two weeks, or their name is eliminated from the list.

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**DETERMINATION OF ELIGIBILITY**

When the family is selected for further action from the waiting list, they must meet all of the eligibility requirements of the most current version of the housing programs being administered by HA. At a minimum, the applicant must be a family, and must be income eligible. Eligible applicants include single persons who are not elderly persons, or displaced persons, or persons with disabilities.

**Preference over single persons.** An applicant that is a one- or two-person elderly, disabled or displaced family, must be given preference over an applicant that is a single person who is not an elderly or displaced person, or a person with disabilities, regardless of the applicant=s Federal or local preference (if any).

**Housing assistance limitation for single persons.** A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family, may not be provided public housing and other project based assistance, a housing unit with two or more bedrooms; or

(1) , housing assistance for which the family unit size as determined by HA subsidy standard exceeds the one bedroom level.

**Income eligibility**

In addition to qualifying as a family, the applicant must also be income eligible, with assistance provided only to very low- and low- income families. The applicant's gross annual income must be very low or equal to the maximum income limit most recently published by the Department of Housing and Urban Development (HUD) for low income families in the area of the authority's jurisdiction for the Section 8 or 515 programs. The current HUD, RD or Tax Credit regulations shall prevail at all times.

The applicant must complete and sign form HUD-9886 "Release of Information/Privacy Act" allowing RHA access to documents it may need to verify income claimed by the applicant. The applicant must also furnish the RHA with verifications of all income, to include value of, and income derived from, all assets. Such verification may include: Social Security benefit statement; SSI benefit statement; welfare benefit statement; recent checking or savings account statement or recent pay stub. All such benefit statements and pay stubs must be current. HA will obtain written or oral third party income verification in addition to any tenant supported documentation. Zero income applicants will be required to provide a statement of survival form, monthly, to the HA. Income eligibility for the program will be based on the information obtained relative to all anticipated income for the 6 month period following the effective date or initial determination for the programs. Gross annual income will be calculated based on the definition of annual income, which is income derived from all sources received by the family (even if one member is temporarily absent) and includes all members 18 years of age or older and all assets.

Income is determined according HUD guidelines and is documented by using Section 8 HUD form 50058 "Family Report", RD Form 3560-8, or Tenant Income Certification Form. The form is kept in the family's file and used as the basis for determining capacity to contribute to rent; the HA share; and as the basis of comparison during recertification.

**Conflict of Interest**

A potential conflict of interest exists with any person who is an employee, agent, consultant, officer or elected or appointed official of Lake County or the Ronan Housing Authority. Such person is prohibited from receiving a HOME-assisted activity, or occupy a HOME assisted unit, a 515 unit or section 8 voucher either for themselves or those with whom they have family ties, during their tenure and for one year thereafter, if such person exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or is in a position to participate in a decision-making process or gain inside information with regard to these activities.

**Rent Determination**

Tenant contribution to rent is calculated at 30% of adjusted gross annual income, or \$50.00, whichever is greater. The maximum subsidy amount may not exceed the difference between the current published fair market rent for the unit (including utility allowance) and 30% of the family's adjusted income. HA has adopted certain exemptions to the minimum rent requirements for hardship circumstances. Hardship exemptions include the following situations:

- < The family has lost eligibility or is awaiting an eligibility determination for Federal, State, or local assistance program
- < The family would be evicted as a result of the imposition of the minimum rent requirement
- < The income of the family has decreased because of changed circumstances, including loss of employment, death in the family or other circumstances

A utility allowance, as determined annually by Montana Department of Commerce or Rural Development, will be added to the rent before subsidy is determined. The utility allowance to be used is always based on the actual size of the selected unit. Under no circumstances may rent plus the utility allowance exceed the most recently published fair market rent for the unit. For Section 8 subsidy calculation, Form 50058 will be followed to determine the subsidy amount. the following calculation is provided as a sample:

Landlord rent:	350	
Utility allowance:	<u>75</u>	
Total	425	- Total may not exceed fair market rent for unit size

Tenant contribution based on 30% of income =	\$300.00
subsidy=	125.00

The amount of the utility reimbursement is the amount by which the HAP, or 515 subsidy, payment exceeds the rent to the owner. When there is a utility reimbursement, HA pays the full amount of the rent to the owner and sends the utility reimbursement to the utility company. In the event the utilities are kept in the owner's name, the utility reimbursement is sent to the family.



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**OCCUPANCY STANDARDS**

The following standards will be used to determine the size of unit for which an applicant qualifies for assistance. These standards are developed in accordance with Federal regulations which state that there must be at least one bedroom or living/sleeping room of appropriate size for each two persons in the family. Families may not be eliminated from the program for failing to meet the occupancy standard, but will generally be provided assistance based on the smallest appropriate unit size and discouraged from accepting units below that minimum size due to possible overcrowding and unsafe living conditions which may occur as a result.

<u>Voucher size</u>	<u>Minimum Persons</u>	<u>Maximum Persons</u>
0-Bedroom	1	1
1-Bedroom	1	2
2-Bedroom	2	4
3-Bedroom	3	6
4-Bedroom	4	8
5-Bedroom	5	10

In determining family unit size for a particular family, HA may grant an exception to its established occupancy standards if the RHA determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other circumstances. Every family member, regardless of age, will be counted a person. Larger size units may be approved beyond occupancy standard qualifications for medical or disability reasons. If no eligible unit of smaller size is available within the HA=s jurisdiction, the family may be approved for a larger unit providing the unit qualifies within the fair market rent limitations for the family=s size and meets all other program requirements. The occupancy standards included in this plan are for reference purposes. A family may rent either a smaller or larger size unit then stated as long as the unit complies with minimum housing quality standards space requirements.

**FAMILY OBLIGATIONS**

**Supplying Required Information**

1. The family must supply any information that the HA, RD or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status. "Information" includes any requested certification, release or other documentation.
2. The family must supply any information requested by the HA, RD or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements. Reexamination will be conducted annually. The family is required to report changes in income and family composition as such changes occur.
3. The family must disclose and verify social security numbers and must sign and submit consent forms for obtaining information.
4. Any information supplied by the family must be true and complete.

**Housing Quality Standards (HQS) Breach Caused by Family**

The family is responsible for a HQS breach that is caused by any of the following:

- 1) The family fails to pay for any utilities that the owner is not required to pay for, but which are to be paid by the tenant, or
- 2) The family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant, or
- 3) Any member of the household or guest damages the dwelling unit or premises beyond ordinary wear and tear.

**Allowing HA Inspection**

The family must allow the HA to inspect the unit at reasonable times and after reasonable notice. The HA will provide a minimum of 48 hours notice to the family.

### **Violation of Lease**

The family may not commit any serious or repeated violation of the lease.

### **Family Notice of Move or Lease Termination**

The family must notify the HA and the owner before the family moves out of the unit, or terminates the lease on notice to the owner.

### **Owner Eviction Notice**

The family must promptly give the HA a copy of any owner lease termination within 10 days of receipt of the notice.

### **Use and Occupancy of Unit**

- 1) The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- 2) The composition of the assisted family residing in the unit must be approved by the HA. The family must give written notification to the HA of the birth, adoption or court awarded custody of a child within 10 days. The family must request HA approval to add any other family member as an occupant of the unit. No other person (i.e., nobody but members of the assisted family) may reside in the unit (except for a foster child or live-in-aide).
- 3) The family must give written notification to the HA if any family member no longer resides in the unit within 10 days of the change.
- 4) If the HA has given approval, a foster child or live-in-aide may reside in the unit. The HA will not unreasonably withhold such approval if request for such approval is made in writing and if the assisted unit is of such size as provided under the above written AOccupancy Standards@ so as to assure that living conditions are not overcrowded.
- 5) Members of the household may engage in legal profit making activities in the unit, but only if such activities are incidental to primary use of the unit for residence by members of the family.
- 6) The family must not sub-lease or let the unit.
- 7) The family must not assign the lease or transfer the unit.

### **Absence from Unit**

As noted above, the family is to notify HA of any changes which may occur in the family composition during the term of the contract. This notification includes any absence by a family member in excess of ninety (90) days. If such absence is temporary, the family will be asked to certify that such absence is temporary and does not represent a change in family composition, which may otherwise result in a reduction in the family's HAP payment.

### **Interest in Unit**

The family must not own or have any interest in the unit or rent from a family member closer than a cousin.

### **Fraud and Other Program Violation**

Members of the family must not commit fraud, bribery, or other corrupt or criminal act in connection with the programs.

### **Crime by Family Members**

The members of the family may not engage in drug related criminal activity, or violent criminal activity.

### **Other Housing Assistance**

An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another housing subsidy, for the same unit, or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, state, or local housing assistance program.

### **Family Break-up**

If a family breaks-up while assistance is being provided, assistance will be continued as follows:

- a. Assistance will continue with the custodial parent, where there are minor children involved; or with the ill, elderly or disabled family members as applicable; or with the family member forced to leave the unit as a result of actual or threatened physical violence against family members by a spouse or other household member.
- b. If a court determines the disposition of property between family members, RHA is bound by the decision of the court as to which family members continue to receive assistance in the program.

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**ASSISTANCE ISSUANCE**

**Family Briefing**

When a family is selected to participate in a tenant-based program, RHA will conduct an oral briefing individually to include information on the following:

- a) description of how the program works;
- b) family and owner responsibilities
- c) where the family may lease a unit; and
- d) explanation of portability and a list of portability contacts at neighboring HAs (Section 8 only)
- e) Also at this time the family is given a voucher holder=s packet that includes:
  - § term of the voucher
  - § policy on any extensions or suspensions of the term and an explanation of how the family can request an extension
  - § how the RHA determines the housing assistance payment for the family
  - § how the RHA determines maximum rent for an assisted unit (rent reasonableness)
  - § HUD-required tenancy addendum, which must be included in the lease
  - § form that the family uses to request RHA approval of their assisted tenancy with HQS Checklist
  - § statement of RHA policy on providing family information to prospective owners
  - § RHA occupancy standards and when RHA will consider exceptions
  - § HUD lead-based paint brochure *AProtect Your Family from Lead in Your Home@*
  - § information on how to fill out and file a housing discrimination complaint (for HUD-903)
  - § a list of landlords or others who may be willing to lease a unit or a list of other organizations that will help families find units
  - § a notice that if the family includes a disabled person, the family may request a current listing of accessible units that are known to the RHA and may be available
  - § family obligations under the applicable program
  - § grounds on which RHA may terminate assistance because of family action or failure to act
  - § RHA informal hearing procedures
  - § information on the rent/payment standard with a copy of the current utility allowances

**Tenant Screening**

Tenant screening and selection are the responsibility of the owner. At or before tenancy approval by RHA, the owner will be informed of this responsibility. The following information will be given to the owner, as well as the ARHA Policies for Landlords@:

- § Current and prior address of the prospective tenant; and
- § Name and address, if known of the prospective tenant=s current and prior landlord

**Issuance**

Families will be issued Vouchers, in a non-discriminatory fashion, as their names come up on the waiting list. The normal rotation of the waiting list is time and date of application.

When a family is selected from the waiting list, the HA issues a Voucher to the family, for a period of 60 days (up to 120 days if disabled). The family may search for a unit to rent under the program. If the family finds a unit, and the owner is willing to lease the unit under the program, the family may request HA approval to lease the unit. The family must submit to the HA a request for tenancy approval and a copy of the proposed lease. Both documents must be submitted during the term of the Voucher. At the end of the 60 days, the family may request an extension in 30 day increments, not to exceed 120 days.

### **Extensions**

#### **Vouchers will only be extended beyond 60 days (120 days if disabled) if:**

- a) The family can verify extenuating circumstances, or is a hard-to-house family, and through their contact with the HA, can clearly demonstrate that they have made every effort to secure a suitable unit, and
- b) The family has not refused a suitable unit without good cause, and
- c) There is a reasonable possibility that an extension of the Voucher will result in an approvable lease and the execution of a Housing Assistance Payments (HAP) contract.
- d) The family needs and requests an extension of the initial voucher term as a reasonable accommodation to make the program accessible for a person with a disability.

The length and number of extensions will be determined by the RHA based on the ability of the family to demonstrate the need for more time to secure a lease. During the initial or any extended term of a Voucher, the HA may require the family to report progress in leasing a unit.

### **Denial of Assistance or Termination of Assistance**

An APPLICANT or PARTICIPANT will be denied assistance for any of the following grounds:

1. If the family violates any family obligation under the program;
2. If any member of the family has been evicted from federally assisted housing in the last five years;
3. If a HA has ever terminated assistance under the program for any member of the family;
4. If any member of the family has committed fraud, bribery, or any other corrupt or criminal act in connection with any Federal housing program;
5. If the family currently owes rent or other amounts to the RHA or to another HA in connection with the Section 8, Rural Development 515 or other Low-Rent Housing Program;
6. If the family has not reimbursed any HA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease;
7. If the family breaches an agreement with the HA to pay amounts owed to a HA, or amounts paid to an owner by a HA;
8. If the family has engaged in or threatened abusive or violent behavior toward HA personnel.

The HA will terminate program assistance for the following:

1. If a family is evicted from housing assisted under the Section 8, 515 or HOME Assistance Program for serious violation of the lease;
2. If any member of the family fails to sign and submit consent forms for obtaining information;
3. If any member of the family does not submit required evidence of citizenship or eligible immigration status.

There will be immediate and permanent denial of admission to any Housing Program of persons convicted of manufacturing or producing methamphetamine (commonly referred to as speed) in violation of any Federal, state or local law.

In each of the cases identified in this section - the applicant or participant will be notified of their right to an informal review or hearing, whichever is appropriate, and as provided for in the Tenant Packet which is included as an addendum to this plan.

The RHA will obtain sex and violent offender records information from the Montana State Justice Department to screen applicants for denial of admission to any housing Program.

RHA will require every applicant family to submit a consent form signed by each adult household member. RHA will notify the household member of the subject of the record and will provide the applicant a copy of the information obtained. The applicant will be given an opportunity to dispute the accuracy and relevance of the information. RHA will maintain complete confidentiality and once the purpose for which the record was requested has been accomplished, the information will be destroyed.

An OWNER may be disapproved for participation, even though rental units may individually qualify, if the HA has been notified by HUD that the owner has been debarred or suspended; if the federal government has instituted an administrative or judicial action against the owner, or a court or administrative agency has determined that the owner is in violation of the Fair Housing Act or other federal equal opportunity requirement and such action is pending; or that the owner has previously violated obligations under a housing assistance payments contract; committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program; has engaged in drug trafficking; has a history or practice of non-compliance with HQS or state or local housing codes for units leased under any federal housing program; or has not paid State or local real estate taxes, fines or assessments.

**SECURITY DEPOSITS**

**Section 8 Vouchers**

The owner may collect a reasonable security deposit from the tenant. When the family moves out of the contract unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit or other amounts that the tenant owes under the Lease. Section 8 funds will not be used to pay security deposits.

**Rental Units**

Security Deposits for RHA owned or managed rental units are \$300 or one month’s rent for certain properties. Payment of the deposit is required prior to move in and will be returned within 30 days of move out in accordance to Montana Landlord Tenant Law less any unpaid rent or deductions for cleaning or damages to the unit.

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**HOUSING QUALITY STANDARDS AND LEASE APPROVAL**

The RHA will follow the requirements for minimum housing quality standards as stated in the 24 Code of Federal Regulation 982.401 and the Section 8 Administrative Practices Handbook, 7420.7. The RHA will use the standard form HUD-52580 to record all housing quality standard inspections conducted during program operation.

**Special Housing Types**

In addition to standard stick-built single family residential units and multi-family apartment units, families may select special housing types to include manufactured housing if such housing passes inspection to meet applicable housing quality standards and meets all other program requirements. Except where the HA will extend reasonable accommodation for persons with disabilities as provided below, the HA will not provide assistance in single room occupancy housing, congregate housing, group homes, shared or cooperative housing.

In addition, the HA may provide Section 8 assistance for a family that owns a manufactured home and leases a space for the manufactured home. In such case, assistance is provided only for the cost of the space rental and may not be used to assist with the payment for the purchase of the home itself. In addition, even though the HA is assisting with the cost of the space only, the manufactured home must be inspected for conformance with HQS; the family must meet all other elements of the program and the rent for the space may not exceed established FMR for trailer spaces in Lake County.

Reasonable accommodation will be made for persons with disabilities in all special type housing, including single room occupancy (SRO), congregate housing, group homes, shared and cooperative housing in order to assure the program is readily accessible to persons with disabilities. In such cases, assistance will be based on the individual=s income and rent requirements to participate in the housing utilizing the 0 or 1 bedroom FMR depending upon number of rooms for the private use of the individual excluding kitchen and bath facilities. The housing must comply with housing quality standards and, in the case of group homes, be licensed by the State.

### **Housing Quality Standards and Initial Inspections**

- The family and owner will be provided with a checklist of standards.
- When the family locates a unit, the RHA will conduct an inspection before approving the lease.
- Any and all items failing must be corrected before the lease can be approved. No HAP payment may be made until such corrections have been made and the unit has been reinspected to assure compliance.
- Annual re-inspections will be conducted during the annual re-certification of the participant. Any and all deficiencies noted at the time of reinspection must be corrected; for emergency deficiencies, such as no smoke alarms, 24 hours; for non-emergency deficiencies, 30 days. HAP payments will be abated until such deficiencies are corrected. If at any time deficiencies are not corrected within the time agreed by the inspector and owner, HAP payments will be terminated and the family will be required to relocate.
- Interim inspections will be conducted upon a request from either the landlord or the tenant. Any and all deficiencies noted at the time of such interim inspection must be corrected, as noted above, or further HAP payments will be abated until such deficiencies are corrected. If at any time deficiencies are not corrected within the time agreed by the inspector and owner, HAP payments will be terminated and the family will be required to relocate.

### **Lead Hazard Reduction Procedure**

With the increasing concerns about the hazards of residual lead and new lead hazard reduction rules that became effective September 15, 2000, the Ronan Housing Authority is implementing the following procedures:

1. All potential landlords and applicants for any rental assistance, rehabilitation or first time home-buyer will be issued and will sign for the EPA pamphlet, *AProtect Your Family From Lead In Your Home@* or an equivalent pamphlet that has been approved for use in Montana by the EPA.
2. During the conduct of initial and annual inspections of pre-1978 units that are occupied or will be occupied by families with children under 6 years of age, the RHA will conduct a visual assessment for deteriorated paint surfaces.

Deteriorated paint surfaces are defined as interior or exterior paint or other coating that is peeling, chipping, flaking, cracking, is otherwise damaged or has separated from the substrate of the surface or fixture. If the assisted family is elderly or not expected to have children under the age of six residing in the house, no further action is required.

3. If the home was constructed after January 1, 1978 and passes the HQS inspection, no further action is required.
4. Houses constructed prior to 1978 that have been identified as having the potential for lead-based paint and expected to have families with children under the age of six will not be eligible for assistance. The owner or agent will be notified in writing of potential lead hazard with a Summary Notice of Lead Based Paint Risk Assessment and given a list of known *certified* lead based paint abatement supervisors.
5. Copies of the Lead Hazard Reduction Regulations will be available for all owners at the RHA office and mailed upon request.

6. RHA program managers will continue to take advantage of all ongoing training in lead hazard inspection and abatement and the agency will evaluate engaging a certified lead hazard inspector for its Lake County activities.

### **Quality Control**

While all units are inspected annually at the time of tenant re-certification, the Property Manager's Supervisor will conduct additional inspections of at least 5% of the Section 8 program units annually to insure that HQS, as required by the Section 8 program guidelines, has been met.

### **Fair Market Rents**

The RHA will not subsidize units on which rent plus the utility allowance exceeds the most current published Fair Market Rent for the unit size within Lake County. Units will be disapproved if the rent is not reasonable as established by the comparability data established by the RHA. Where proposed rents exceed those of other comparable units in the area considering type, age, amenities, housing services, maintenance and utilities, the RHA may choose not to execute a contract where such rent appears to be excessive for the market.

### **Rent Reasonableness**

Upon initial lease-up and request for lease approval, the HA first verifies that the proposed rent plus utility allowance for the area does not exceed the most current published fair market rent for the unit size. After completion of a satisfactory HQS inspection, the proposed rent for the unit is compared with the rent of other comparable units used in the study which is not only based on the location and size of the unit but considers type, age, amenities, housing services, maintenance and utilities provided to the family. If the unit is deemed to be rent reasonable a contract is executed. If the unit is not found to be rent reasonable and the family still wishes to rent the unit, the HA will negotiate with the owner to reduce the rent to a rate comparable with the results of the study. If no agreement is reached as to a reasonable rent, then no contract will be executed. A county-wide landlord survey is conducted annually for comparable units rents, etc.

### **Over-FMR Tenancy**

The HA will approve over-FMR tenancy at the family's request on a case-by-case consideration, limited to budgetary restrictions as a reasonable accommodation so that the program is readily accessible to, and usable by, persons with disabilities.

The HA will not approve an over-FMR tenancy unless it is determined that the initial family share is reasonable, taking into account other family expenses such as child care, un-reimbursed medical expenses and other appropriate family expenses as determined by the HA. Any new admission or any family who moves may not pay more than 40% of adjusted monthly income toward the initial rent for the unit if the gross rent for the unit is greater than the applicable payment standard for the family. This limit applies only at time of initial leasing of a unit, not after.

### **Rent Limitations due to Other Governmental Subsidies**

The HA may provide rental assistance to tenants in units subsidized by other governmental programs including units built with HOME Program funds, Rural Development 515 loans provided that the base rent used to calculate the assistance is established at or of such subsidies or at the lowest level required to cover operating costs of the project. Tax credit projects with section 8 tenants may charge more than the maximum allowable rent for a unit up to the HUD established maximum fair market rent provided that the tenant does not pay more than the allowable rent for that unit.

### **Lease Approval and HAP Contract**

The lease approval and HAP contract will be executed once the inspection determines the unit is safe, sanitary, and in decent condition and the rent is considered reasonable. Leases must be for at least one year, unless mutually agreed otherwise by the tenant and landlord. The lease must meet the requirements of 24 CFR 982.308, a copy of which is attached in the addendum.

### **Continued Occupancy**

**Portability, Section 8 Vouchers Only:** The family=s initial Voucher and HAP contract is for a 12 month period. Non-resident families applying to the program must live within the RHA=s jurisdiction at least one year. A family with an RHA Voucher may then apply for approval to Aport@ or use its Voucher anywhere outside the RHA jurisdiction, in Montana or anywhere in the United States where a Housing Agency administers the Section 8 Tenant Based Program, under the following circumstances:

1. Non-resident families at time of application have completed a full 12 month period under a HAP contract with RHA living within the boundaries of RHA=s jurisdiction.
2. There is a Housing Agency in the area where the family is moving to which administers a Section 8 Tenant Based Program that is eligible to receive and administer the Voucher. If the receiving HA does not have the same type of assistance available, a portable family may be offered another form of assistance by the receiving HA and will have to qualify for the existing programs offered by the receiving HA. Under such circumstances the Voucher is returned to RHA and may not be eligible for portability.
3. Subsidized families wanting to move to a new unit or new jurisdiction must give the landlord and the RHA written notice of intent to move at least thirty days prior to moving from the assisted unit.

The family will be issued a new Voucher by the receiving HA providing they meet the program income and eligibility requirements of the program in the area to which they are moving. A family may not port in and/or out of the RHA jurisdictional area more than once in a twelve month period.

**Annual Reexaminations:** are conducted before the anniversary date of the signed lease. Participants will be contacted 90 days prior to the date in order to set up an appointment to verify income and family composition. The re-certification will involve a review of all statements and conditions included in determining initial eligibility, including the HQS inspection, to insure that the family is still income eligible and the unit is still safe, sanitary and decent housing. Family income may be verified by the receipt of a pay-stub or social security deposit no more than 30 days old and/or third party verification of employment to be obtained by the RHA staff. If adjustment is required (an increase or decrease to the 30% income rule) the proposed change will go into effect on the first day of the following month if a decrease, and the first day of the second month if an increase. The re-certification will also insure that both parties are abiding by the lease.

**Interim Examinations:** RHA will conduct an interim reexamination of family income and composition within 30 days of receipt of a request for such a reexamination by the family or upon being notified of a substantial change in family income or composition as required below. Such reexamination will not result in a change in the HAP contract except when such change increases or decreases the tenant payment by at least \$25.00. The family must report changes when they occur as follows:

- 1) Changes in family composition.
- 2) Changes of more than \$100 per month in gross family income (either an increase or decrease). If the change is so substantial that it may increase or decrease the total tenant payment by more than \$25.00, the family may request an interim reexamination and change to the HAP contract.
- 3) Persons showing zero income must verify such on a monthly basis.

The family and landlord will be notified in writing of the results of any reexamination and/or changes to its contract via a *ANotice of Change to Lease and Contract@*.



**Continued Participation:** all of the participants of assisted housing will continue to receive assistance until the Total Tenant Portion equals the gross rent standard for the contract unit. Termination of housing assistance payments does not preclude the resumption of payments as a result of later changes in income, rents, or other circumstances during the term of the lease and contract. However, should 6 months lapse since the date of the last HAP, the contract will be terminated and the Voucher will be terminated. If at the time of the annual re-exam such a circumstance exists, the contract will expire on the anniversary of the lease.

**Move Outs, Termination of HAP, or Evictions**

**Move-outs:** During the initial briefing session, RHA shall inform both the tenants and landlords of their responsibilities concerning move-outs. The initial lease is for one year, however the lease may be canceled with mutual consent or agreement when there is a need to move. After the first year, the owner should have a successive definite term in the lease, i.e., month-to-month, year-to-year, if he/she wants the legal authority to terminate without cause. If the owner fails to put a definite term in the lease after the first year, it is considered a successive indefinite lease and the owner will only be able to terminate for cause, or other good cause. Both parties must notify the RHA when a move has been undertaken.

**Evictions:** A landlord may evict a tenant for good cause by initiating legal procedures as required by state law. The landlord must notify RHA of this action.

**Termination of the HAP Contract by RHA:** Termination of the contract may result due to any of the following reasons, but cancellation is not limited to:

1. Fraud
2. Failure to satisfy any claim under the lease and HAP contract or owes RHA monies.
3. Landlord or tenant failure to correct any sub-standard condition or repairs deemed necessary.
4. Tenant has moved.
5. Failure to comply with any other HUD regulations or HUD or RHA requirements.

**Payments for Damages/Vacancy Loss -:** Under the Section 8 contracts, the RHA has no responsibility for damages or unpaid rent except for the portion of the rent due from the RHA under the HAP contract. The owner, subject to State and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit or other amounts that the tenant owes under the Lease. Under no circumstances may Section 8 funds be used to reimburse the landlord for damages over and above the amount of the security deposit.

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**INFORMAL REVIEW**

24 CFR 982.554

The HA will provide an applicant the opportunity for an *Informal Review* if the applicant is denied participation. The RHA will use the following procedures to conduct the review:

- 1) The applicant will be given written notification of the denial of assistance, stating the reason(s) for the denial.
- 2) The notice will state that the applicant has a right to request, in writing, an informal review of the decision to deny participation within 10 days of the date of the notification.
- 3) The informal review will be conducted within 10 business days of the request. The Executive Director will select a person not involved in the decision to conduct the review.
- 4) The applicant may present written or oral arguments relative to the decision.
- 5) The applicant will be informed, in writing, of the results of the review within 15 days of the date of review.

The HA is not required to provide the applicant an opportunity for an informal review for any of the following:

- 1) Discretionary administrative determinations
- 2) General policy issues or class grievances

- 3) A determination of the family unit size under the HA subsidy standards
- 4) A HA determination not to approve an extension or suspension of a voucher term
- 5) A HA determination not to grant approval of the tenancy
- 6) A HA determination that a unit selected by the applicant is not in compliance with HQS
- 7) A HA determination that the unit is not in accordance with HQS because of the family size or composition

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### INFORMAL HEARING

24 CFR 982.555

#### **When a Hearing is Required**

A HA must give a participant family an opportunity for an informal hearing to consider whether the following HA decisions relating to the individual circumstances of the participant family are in accordance with the law, HUD regulations, and HA policy:

- 1) A determination of amount of the family=s annual or adjusted income, and the use of such income to compute the housing assistance payment.
- 2) A determination of the appropriate utility allowance for tenant paid utilities from the utility allowance schedule.
- 3) A determination of the family unit size under the HA subsidy standards.
- 4) A determination that a Voucher family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under RHA subsidy standards, or RHA determination to deny the family=s request for an exception from the standards.
- 5) Determination to terminate assistance for a family because of family=s action, or failure to act, including:
  - Decision to terminate assistance for breach of HQS caused by the family by any of the following:
    - a. Family fails to pay for any utilities that the owner is not required to pay for, but which are to be paid by the tenant.
    - b. Family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant.
    - c. Any member of the household or guest damages the dwelling unit or premises (damages beyond ordinary wear and tear).
    - d. Determination to terminate assistance because the family has been absent from the assisted unit for longer than the maximum period permitted under RHA policy.

#### **Denial of Hearing**

RHA will deny a participant family an informal hearing for any of the following:

- 1) Discretionary administrative determinations by the HA.
- 2) To consider general policy issues, or class grievances.
- 3) Establishment of the HA schedule of utility allowances for families on the program.
- 4) HA determination not to approve an extension or suspension of a Voucher term.
- 5) HA determination not to approve a unit or lease.
- 6) HA determination that an assisted unit is not in compliance with HQS.
- 7) HA determination that the unit is not in accordance with HQS because of family size.
- 8) HA determination to exercise (or not) any right or remedy against the owner under a HAP contract.

#### **Request for Hearing**

A participant must request the hearing in writing from RHA (Ronan Housing Authority, P.O. Box 146, Ronan, MT 59864). The written request must be received by the HA within 20 days of the date of the written notice of the questioned decision. Informal hearings will be scheduled by RHA within thirty days of receiving a written hearing request from the participant if the matter qualifies for an informal hearing. If the matter does not qualify for an informal hearing, RHA will send notice to the participant within 20 days of the receipt of a written request for hearing, with an explanation of the reasons for denial of the request for hearing. HA must give opportunity for a fair hearing before terminating HAP payments for any family under an outstanding HAP contract

**Informal Hearing Procedures**

- 1) Within 10 days of receipt of a request for an Informal Hearing in accordance with the RHA's policies, the Executive Director will select a Hearing Officer and schedule the hearing. The Hearing Officer will be someone other than the person who made the decision under review or a subordinate of that person.
- 2) Both Housing Authority and complainant shall be provided the opportunity for discovery as follows:
  - a. By family. The family must be given the opportunity to examine, before the hearing, any HA documents that are directly relevant to the hearing. The family must be allowed to copy any such document at the family=s expense. If the HA does not make the document available for examination on request of the family, the HA may not rely on the document at the hearing.
  - b. By HA. The HA must be given the opportunity to examine, at HA offices before the hearing, any family documents that are directly relevant to the hearing. The HA must be allowed to copy any such document at the HA=s expense. If the family does not make the document available for examination on request of the HA, the family may not rely on the document at the hearing.
- 3) The family participant may be represented by a lawyer or other representative.
- 4) The Hearing Officer will conduct the hearing in accordance with the following guidelines:
  - a)The participant or the participant's representative will first be given an opportunity to present his/her objections to the decision in question, and only the specific decision pertinent to this hearing. The participant may present evidence or question witnesses at this time.
  - b)The RHA will then have an opportunity to explain the decision. The RHA may present evidence and question witnesses. The participant will then have the opportunity to question any RHA witnesses.
  - c)The Informal Hearing is not intended to duplicate procedures - under judicial review so the rules of admissibility under such proceeding will not be applied in the course of the hearing.
  - d)The Hearing Officer will issue a written decision stating the reasons for the decision within 10 business days after the hearing. Decisions will be based on evidence presented at the hearing. A copy of the decision will be sent certified mail to the participant within 15 business days after the hearing.
  - e)The RHA is not bound to hearing decisions if:
    1. the HA is not required to provide an opportunity for a hearing;
    2. the decision exceeds the authority of the hearing officer
    3. the decision is contrary to HUD regulations or requirements or Federal, state or local law.

If the HA determines it is not bound by a hearing decision, the HA must promptly notify the family of the determination and reasons for determination.

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**COLLECTION POLICIES**

In the interest of sound fiscal management and program integrity the RHA will make all efforts to collect amounts owed the agency as a result of unreported income or amounts paid to owners on behalf of participants. The following procedures will be followed to ensure maximum collection of applicant/participant debt:

**Applicants**

No applicant will be admitted to the Rental Assistance Program until any/all debts owed the PHA have been paid. Their name may be placed on the waiting list as a potentially eligible applicant, but no Voucher will be issued until all debts are paid in full. No extended payback arrangements will be made with applicants.

**Participants**

Participants in the Section 8 Voucher Program must agree to pay back any amounts owed the RHA in order not to jeopardize their continued assistance. The following procedures will be followed for program participants:

1. **Unreported Income:** A limited payback arrangement based upon the financial circumstances of the family will be negotiated, once the amount of overpayment of housing assistance payments has been established. The agreement will ensure that the full amount of the overpayment is reimbursed to the HA within a period negotiated with the family and the HA. If the family requests a new Voucher because they wish to move and the debt is not fully repaid, the remaining balance must be paid before the new Voucher will be issued.
2. **Payments of Damages:** If a family is found liable for damages beyond those covered by its security deposit; moves without giving proper notice and with rent owing to its landlord; or moves without paying utilities, the family is responsible for reimbursing its landlord for costs incurred to cure damages and for the unpaid rent and/or utilities.

If the family is willing to execute a payback agreement, payments will be established to ensure that the entire debt is paid in full by the end of the initial term of the current contract. Should the family fail to make payments as agreed, HA may terminate its HAP agreement with family until the prior debt is paid in full.

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### STAFFING

Executive Director: Overall Program Responsibility  
 Housing Manager: Responsible for all rental property, tax credit and 515 programs  
 Bookkeeper /RA Manager: Rental assistance programs and assist the Housing Manager

\*\*\*\*\*

### OPERATING RESERVES - SECTION 8 VOUCHERS

Earned Administrative Fees which exceed expenditures for program expenditures shall be handled according to guidelines found in HUD handbook 7420.7 CHG-9. The threshold for the amount of expenditures which may be made from the operating reserve without prior Board approval is \$250.00.

For operating reserve expenditures which exceed the Board threshold, the PHA Board must make a decision that the expenditures are necessary and reasonable for other related housing purposes consistent with the HA's mission and goals.

**ADDENDUM**

**CIVIL RIGHTS POLICIES  
CURRENT INCOME GUIDELINES  
RENT REASONABLENESS  
HOUSING RENTAL ASSISTANCE CONTRACT (PHA/LANDLORD)  
TENANT/PHA RENTAL ASSISTANCE CONTRACT  
CFR 24 982.308 LEASE REQUIREMENTS  
CHANGE TO LEASE & CONTRACT  
NOTIFICATION OF AVAILABILITY OF VOUCHER  
INELIGIBILITY LETTER  
TENANT PACKET  
APPLICATION FOR HOUSING  
SECTION 8 HOME OWNERSHIP ADMINISTRATIVE PLAN**

## ADDENDUM B

### ADMINISTRATIVE PLAN ADDENDUM TO AFFIRMATIVELY FURTHER FAIR HOUSING IN LAKE COUNTY MONTANA

To affirmatively further awareness of fair housing including the rights of tenants and the responsibilities of landlords, the City of Ronan Housing Authority hereby adopts this addendum to its administrative plan.

The PHA will administer the program in conformity with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act; and

- The PHA will affirmatively further fair housing in the administration of the program using the following resources:

1. The pamphlet, Access and Choice-Promoting Equal Housing Opportunity will be distributed to all housing applicants and existing housing clients that use the services of the HA. This handout describes the protected classes and provides contacts for those suffering discrimination including the Housing Discrimination Hotline: 1-800-669-9777 and the Federal Information Relay Service: 1-800-887-8339.
2. The poster: Fair Housing-Its Your .Right and It's the Law, is posted at all RHA properties and the RHA office.
3. RHA will continue to examine existing and proposed programs for impediments to fair housing by being vigilant and proactive to avoid discrimination or the appearance of discrimination based on membership of a protected class. Examination of programs may include using outside resources such as Montana Fair Housing to assist in reviewing programs.
4. Impediments identified will be addressed in the most reasonable fashion available in view of the resources available.
5. Staff is required to attend fair housing training at least every other year as available and earn and display certificates for such training.
6. Construction of new projects will meet all ADA requirements and go further to build for visitability and convertibility when possible. Construction will include wider doors, ramps rather than steps and door handles rather than knobs.
7. RHA is committed to work with local jurisdictions to help implement any initiatives to further fair housing opportunities especially those that directly or indirectly involve RHA.
8. An affirmative fair housing file system will be initiated to track fair housing issues and progress in the RHA jurisdiction.
9. When contacted about fair housing complaints, RHA staff and counselors will assist in gaining access to supportive services such as Montana Fair Housing.
10. Continue to work with organizations such as Summit Independent Living and Mission Mountain Enterprises to find funding to offset the costs of accessibility features for disabled families.
11. Persons who qualify for HCV cannot be denied access to other PHA programs should they choose not to participate.

12. Consider approving higher rents to landlords that provide accessible units with structural modifications for persons with disabilities
13. Provide technical assistance through referrals to local or state fair housing offices to owners interested in making reasonable accommodations or units accessible to persons with disabilities.

Submitted to the Board of Directors for approval on July 1, 2010

Adopted by email response on July 3, 2010 by four out seven members of the Board of Directors of the City of Ronan Housing Authority.

Jan Niemeyer  
Executive Director

ADDENDUM D

**ADMINISTRATIVE MANAGEMENT PLAN**  
**CITY OF RONAN HOUSING AUTHORITY**  
**AND**  
**RENTAL HOUSING MANAGED**  
**BY**  
**LAKE COUNTY CHDO**

**LAKE COUNTY COMMUNITY HOUSING DEVELOPMENT ORG.**  
**P.O. BOX 146**  
**RONAN, MONTANA**  
**(406) 676-5900**

Read & Sign \_\_\_\_\_

\_\_\_\_\_

REVISED: November 18, 2010



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The Lake County Community Development Corporation (ACHDO@) is a not-for-profit 501(c)(3) which develops, owns, operates and manages certain rental properties in Lake County to provide decent and affordable housing for the area's very low - and low-income families as the Lake County Housing Office and is located at 407 Main Street in Ronan Montana. CHDO manages properties for the City of Ronan Housing Authority, Sparrow 1 & 2 LPs, Maxwell Senior Apartments LP and Main Street Apartments LP. Current guidelines are as follows:

### APPLICATION REQUIREMENTS

The following information is required on the application form: name, number in family, head of household type, race, handicapped or special needs, employed ?, current address and contact information and housing area preference.

Families selected from the waiting list for housing or other assistance are required to meet the following guidelines:

A. ELIGIBILITY FOR ADMISSION

1. General - The housing office will accept applications for admission to rental units from applicants who, at the time of application, meet all of the following requirements:
  - a. The applicant must qualify as a family. A family consists of one of the following:
    1. Two or more persons sharing residency whose income and resources are available to meet the family's needs and who are related either by blood, marriage or operation of law.
    2. An elderly family whose head or spouse is at least **sixty-two (62)** years old and which includes one or more persons. At the discretion of the RHA Board of Commissioners, and upon recommendation by the Occupancy Specialist, a family whose head or spouse is less than sixty-two (62) years old may be determined to be elderly. Such determination will be based on the age and health of the applicant.
    3. A disabled or handicapped person (as defined in Section 812.2 of the HUD Low-Income Housing Regulations), or several such persons living with another person who is determined to be essential to the care and well-being of the handicapped or disabled person.
    4. A single person who is the remaining member of a family currently living in rental housing; or, displaced by Government action or natural disaster; or, currently living in accommodations which threaten his health or safety.
  - b. The applicant must have a gross family adjusted income which is not greater than the amount allowed for a family the size of the applicant's as determined by the annual adjusted income limits for low and very low income families as published for Lake County by the U.S. Department of Housing and Urban Development.
  - c. The head of household must be eighteen years of age or older.
2. Applications from Previous Tenants - Applications from previous tenants will be accepted as new applicants. Previous tenants or homebuyers who still owe money to the CHDO managed properties, or any other publicly assisted units, **will not be assisted until the owned monies are paid in full.**
3. Right to Reject Applications - The housing office has the right to reject applications for housing in cases where it has determined that admission of the applicant would be damaging to the health, safety or welfare of other tenants, or the financial stability or physical environment of the project. Rejected applicants will be notified and may appeal the determinations as provided for in Paragraph C-6 of Section I of this policy.

B. APPLICATION PROCEDURES

1. Any family wishing to apply for the Rental Housing Program must submit a completed application.
2. All applications will be logged according to the date and time the completed application form is received.
3. No emergency or short-term housing is currently available; and applications for emergency housing will be treated as any other application, being logged in according to date and time of receipt.

#### 4. Maintaining the Waiting List

- a. All applications shall be recorded into the Waiting List according to the date and time the application is received. Applicants will be selected from the waiting list on a *first come, first served* basis.
- b. Applicant information kept on the waiting list includes date and time of application, size of family; bedroom size needed; handicapped/disabled/elderly household information, race, income estimation, if currently homeless and residency information.
- c. Applicants will be selected from the waiting list based first on the date of application, with those being on the list the longest served first, followed by family size according to the number of bedrooms in the available unit(s).
- d. Handicapped accessible units will be offered first to the next applicant needing such unit on the list. If there are no applicants on the list needing such a unit, the unit will be offered first to the next elderly applicant; then to the next applicant on the list according to bedroom size as provided under paragraph c above.

Non-handicapped families occupying a handicapped accessible unit will be relocated to the next available non-handicapped unit of the correct size when such unit is needed to serve a handicapped applicant. In such instance, minimal financial assistance will be provided to the relocating family to help offset moving costs.

- e. The eligibility status and other information for applicants shall be updated **semi-annually** by mailing a notice to the address listed on the application, those applicants not responding in **writing** within two weeks will be dropped from the list.
- f. The waiting list may be closed from time to time because of more applicants than can reasonably be assisted in a two year period.

#### C. NOTIFICATION OF APPLICANTS

1. Applicants will be notified, in writing or by phone, when their name comes up on the waiting list, and will complete a full application at that time.
2. Income guidelines will be distributed with each application and an initial review of income will be used to determine preliminary eligibility. Applicants will be notified at the time of application if their income appears to exceed the very low - or low -income guideline.
3. Upon receipt of the complete application, staff will immediately run a credit check and send out rental reference letters. A credit history showing unpaid rent or utilities may result in disqualifying the applicant. Applicants rejected for credit issues will be informed of the credit issues and the source of the credit report.
4. The Occupancy Staff will then proceed to thoroughly check references and verify all income statements before determining eligibility or non-eligibility.
5. Ineligible applicants will be promptly notified in writing. The notice will state the reason(s) for ineligibility and will explain his/her right to request, within fifteen days, an informal hearing on the determination of ineligibility in order to object to or to receive further explanation as to his/her rejection from the program.

6. Applications from families declared ineligible will be kept in the Office files for three years after the date of application. Letters notifying families of their ineligibility will be kept as permanent records.

## **SECTION II: SELECTION POLICIES**

### **A. SELECTION CRITERIA**

1. In order to determine whether the admission of an applicant would be damaging to the health, safety or welfare of all tenants, the Housing Office will take into account the following factors:
  - a. Applicants past performance in meeting financial responsibilities, including rent payments to other landlords.
  - b. Any record of disturbance of neighbors, destruction of property, or living or housekeeping habits at past residence which may be damaging to the health, safety or welfare of other tenants;
  - c. Any history of criminal activity involving crimes of physical violence to persons or property and other criminal acts which would be damaging to the health, safety or welfare of others.
2. In the event of the receipt of unfavorable information about an applicant, consideration will be given to the time, nature and seriousness of the applicant's behavior and to factors which might show a reasonable change of favorable future behavior or financial prospects, for example:
  - a. Evidence of Rehabilitation
  - b. Evidence of applicant family's participation in or willingness to participate in social service program or other appropriate counseling programs which may be available to them.
  - c. Evidence of the applicant family's willingness to attempt to increase family income and to avail themselves of local training or employment programs.
3. In exercising selection of tenants, the staff will strive to provide no less than 25% of the available units to very low income families and 75% of the available units for low income families, as defined in the most current published guidelines as provided by the U.S. Department of Housing and Urban Development, at initial occupancy.

### **B. NOTIFICATION OF SELECTED FAMILIES**

1. The housing office will deliver by mail or give personally to each family selected for rental housing a written notice of selection which will include the following statements:
  - a. That the family has been selected;
  - b. The area of the family's assigned unit;
  - c. That the family needs to provide documentation to verify current income, to verify or change all other information relative to family size and references as provided on the original application in order for the Occupancy Staff to complete its eligibility review of the application.
  - d. That the family must respond to the Occupancy Staff within five (5) working days or forfeit the unit;

- e. That, upon final determination of current eligibility, the required security deposit and utility deposit must be paid in full prior to the date of occupancy, unless other prior arrangements or terms have been set; and
  - f. That the head of the household and/or spouse must arrange to visit the Office to complete the occupancy interview and sign the lease;
2. If an applicant is offered a suitable unit and fails to respond to the notice or accept and move into the unit as required, the applicant will be moved to the bottom of the waiting list unless an adequate reason relating to hardship, inopportune timing of the move, extraordinary distance from a family member's place of employment, etc., can be shown.
  3. If an applicant fails to complete all other pertinent actions (i.e., making security deposits, utility deposits, etc.) within the required time period, the applicant will forfeit the unit and will be moved to the bottom of the waiting list.

C. OCCUPANCY INTERVIEW

1. Upon paying all required deposits for a rental unit, a family will participate in an occupancy interview with the Occupancy Staff.
2. The occupancy interview shall include an explanation of all items covered in the Dwelling Lease Agreement.
3. The family shall receive a copy of the Dwelling Lease Agreement, a copy of Rent and Payment Collection Policies, Rules of Occupancy and other appropriate information.
4. After the occupancy interview, the family and Occupancy Staff shall conduct a move-in inspection of the unit.

D. VERIFICATION OF INFORMATION

1. All information provided by applicants for admission and by selected families will be verified. Applicants must provide proof of their statements when requested to do so by the staff.
2. Certification by the signature of the head of the household is sufficient to verify family composition, displacement, assets, residence, present housing conditions and need.
3. Earned income must be verified through employers or appropriate forms at the time of admission and again at each recertification. Unearned income must be verified by appropriate documentation.
4. Applicants must sign a form allowing the release of information which will be needed to determine eligibility and monthly rent payments.
5. If a selected family fails to provide or to arrange for provision of income and other documentation, the RHA shall not allow occupancy until such information is provided. If information is not provided, the applicant shall forfeit the assigned unit.

**SECTION III: OCCUPANCY POLICIES**

A. DETERMINATION OF RENT

The base rents for all units will be set from time to time by the Board of the owners of the units, but will never exceed the most recently published fair market rent by unit size, less the most recently published utility allowance by

unit size. Where rental subsidies are available, the subsidy will be based on the difference between the base rent set for the unit and 30% of the tenant family's income, as derived below, the amount of which then becomes their share of the rent due. All tenants will be responsible for paying all their utilities with the exception of garbage and water, which will be paid by the owner.

1. Income and other information provided by the family during the occupancy interview, and verified as required, is used to determine family rent payment. The following definitions of income shall be used in calculating rent payments:
  - a. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
  - b. The net income from operation of business or profession;
  - c. Interest, dividends, and other net income of any kind from real or personal property, Where the family has net family assets in excess of \$5,000 income shall include the greater of the actual income derived from all net assets or imputed income based on current passbook savings rate;
  - d. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment;
  - e. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay;
  - f. Amount of grants received from Assistance Agencies such as welfare, general assistance, etc.
  - g. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in unit;
  - h. Any earned income tax credit to the extent it exceeds income tax liability; and
2. Annual income does not include:
  - a. Casual, sporadic or irregular gifts;
  - b. Amounts that are specifically for or in reimbursement of the cost of medical expense.
  - c. Lump-sum additions to family assets, including inheritance, insurance payment from health/ accident insurance and worker's compensation, capital gains and settlement for personal or property losses;
  - d. Amounts of educational scholarships paid directly to the student or to the educational institution, and the amounts paid by the government to a veteran, for use in meeting the costs of tuition, fees, books and equipment.
  - e. Hazardous duty pay to family member in Armed Forces away from home and exposed to hostile fire;
  - f. Relocation payments;
  - g. Income from employment of children under age of 18 years;
  - h. Payments received for the care of foster children;

- i. Payments derived from the Job Training Partnership Act;
  - j. The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977;
3. Deductions allowed are as follows:
- a. \$480 for each dependent under 18 years old or full time student;
  - b. \$400 for any elderly family;
  - c. Medical expenses in excess of 3 percent of annual income for any elderly family.
  - d. Child care expenses for children under 13 years of age where necessary to enable family members to further their education or be gainfully employed. The amount deducted shall reflect reasonable charges for child care. The amount to be deducted to permit employment shall not exceed the amount of income for such employment.
  - e. Handicapped assistance expenses which are expenses that are anticipated during the period for which annual income is computed, for attendant care and auxiliary apparatus for a handicapped or disabled family member and that are necessary to enable a family member (including the handicapped or disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.
4. The total tenant payment shall be assessed at 30% of the adjusted monthly income.
5. Allowances for utility use will be established for each unit based on prior usage. Rents on RHA units are established at a level which is under fair market rent by, at least, the amount of the utility allowance, and additional allowances are not permitted.
6. The above information and calculations may vary depending on the rental unit and/or rental assistance program utilized.

**B. ADDITIONAL CHARGE**

1. Tenants are responsible to pay all utilities and the deposits required for utility service.
2. The tenant will be charged for any damages to the rental unit which are the result of the tenant's negligence or abuse of the property.
3. Late fees will be charged for rent payments made after the 5<sup>th</sup> of the month of \$25.00 plus \$1.00 per day for each day after that date, unless prior arrangements have been made with the Property Manager.

**C. OCCUPANCY STANDARDS**

1. The following standards will be used as a guide to help determine the number of bedrooms required to accommodate a family of a given size, except that such standards may be waived at the discretion of the Property Manager when extenuating circumstances exist or when a vacancy problem exists and it is necessary to achieve or maintain full occupancy.

---

NUMBER OF PERSONS

<u>NUMBER OF BEDROOMS</u>	<u>Minimum</u>	<u>Maximum</u>
0	1	1
1	1	2
2	2	4
3	4	6
4	6	8
5	8	10
6	10	12

2. Two persons shall normally occupy each bedroom, except in the following circumstances:
  - a. A child of less than two years of age may occupy the same bedroom as the parents;
  - b. Except for husband and wife, and children up to five years of age, persons of the opposite sex will not be required to occupy the same bedroom.
3. In determining the number of bedrooms needed, the consideration will be given to sex and age of family members, and to physical health problems of family members.

D. TRANSFERS

1. If the size of the family increases or decreases, and the dwelling is no longer appropriate to the family's needs according to occupancy standards, or a handicapped unit as explained under Paragraph B, Section 4(d) above, the tenant will be required to move to another unit which is the correct size when such unit becomes available.
2. Recommended transfers will be reviewed by the Occupancy Staff and approved by the Property Manager. Review will be made of the accounts receivable balance, payment history, tenant abuse and any other information that will have bearing on the decision.
3. Transfer requests for reasons not addressed in D.1 of this policy will be reviewed by the Occupancy Staff and the Property Manager. Notification of all decisions will be sent to the tenant in writing.
4. To avoid overcrowding of rental units, tenants are required to inform the Staff whenever there is an increase in household members from that shown on the initial or annual certification. Failure to inform the Housing Office of such changes may result in cause for eviction.
5. Tenants transferring to another unit will be required to pay an additional deposit before transferring. An inspection of the unit occupied will be completed and an estimate of move-out repairs will be given to the tenant prior to transferring. Arrangements must be made to cover the cost of repairs before transfer can be approved.
6. Transfers will not be approved for any other reason, except with the approval of the Board of Commissioners.

E. LEASING OF RENTAL UNITS

1. A lease agreement will be entered into by the Housing Office for the property owner and the tenant family before the family may be admitted to a rental housing unit. One copy of the lease agreement will be given to the tenant and one copy will be kept in the Housing office. The lease must be current at all times, and must be compatible with owner and funding agency policies and State and Federal law.
2. The head of the household and the spouse will sign the lease for the family.



3. If a tenant transfers from on dwelling unit to another, a new lease will be executed and an additional deposit will be required.
4. If the amount of the rent changes, a notice will be dated, signed and furnished to the tenant. The notice will become part of the existing lease between the tenant and the RHA.
5. If the head of the household or spouse changes, a new lease will be executed.
6. If lease provisions must be changed:
  - a. The existing lease may be canceled and a new lease executed;
  - b. An appropriate rider may be added to the existing lease; or
  - c. Appropriate insertions may be made within the existing lease. Riders and insertions (except regarding rent changes) must be dated and signed or initialed by the tenant. Outdated leases will be kept in the tenant's file. Riders may include HUD form 50058, specific tax credit and rural development lease requirements.
7. All paperwork regarding the lease will be filed and maintained in files kept for each property. Tenant files will be maintained by the Housing Office for each property for at least three years after such tenant vacates the property.

F. SECURITY/ CLEANING DEPOSIT

1. A security/cleaning deposit of \$300.00 or one month lease, depending on the owner requirements, must be paid by the tenant prior to admission. Payment agreements for security deposits are discouraged and require approval by the Director.
2. The security deposit will be deposited to the property owner=s account as designated by its Board of Directors and will not be used except where the tenant vacates the unit and leaves with unpaid delinquent charges, or where there are charges associated with the move-out.
3. The security deposit will be returned to the tenant when the tenant vacates the unit if:
  - a. There is no unpaid rent or other charges owed by the tenant;
  - b. The move-out inspection shows that the unit is reasonably clean with out damages except those resulting from normal wear and tear. The Tenant will receive a 48 Hour Cleaning/Damage Notice explaining what needs to be done to the unit within 48 hours in order to avoid the charges being deducted from the security deposit.
  - c. The tenant has paid all utility charges due;
  - d. The keys are returned to the office.
4. Within thirty (30) days, the Property Manager will forward to the vacated tenant an accounting of the use of the security deposit, plus a check for the unused amount.

G. RECERTIFICATION

1. Regularly scheduled Recertification:

- a. Rent adjustments are determined at a recertification interview in accordance with the established reexamination schedule.
- b. Rent is determined at least annually for all tenants. In fitting new tenants into the reexamination schedule, the first reexamination of new tenant families may not be extended more than twelve months, from the date they are admitted.

2. Interim Recertification:

- a. Rent may be adjusted (increased or decreased) when there is a change in family composition or an increase or decrease in a tenant family's gross income. Any adjustments to rental assistance being paid on behalf of the family will be made based on the availability of funds.
- b. Tenants are required to report all changes in income and or family composition to the Office within ten days of the occurrence of such change.
- c. If rent was established pending an expected change in family composition or income at some time in the future, rent shall be determined when the change occurs.
- d. From time to time, it is not possible to accurately determine annual family income at the time of admission, regular recertification or interim recertification. In such cases, a temporary determination of income shall be made and a special recertification shall be scheduled within ninety days.
- e. Tenants will be notified in writing of any rent adjustment, and the notice will state the effective date of the adjustment.
- f. For rent increases, the adjustment will become effective the first of the second month following the recertification. In the case of rent decreases, the adjustment will become effective the first of the following month.
- g. If the RHA determines that the tenant has willfully misrepresented or withheld the facts upon which the rent is based, an increase in rent may be made retroactively.
- h. All information provided by tenants during rent recertification will be verified.

H. CONTINUING OCCUPANCY

A family occupying a rental housing unit may be required to leave its rental unit because gross family income has increased and exceeds the income limits for eligibility. When low-income limits are exceeded, the tenant will lose any subsidies it may have been receiving, and rent will be adjusted to an amount up to the base 30% of the family's income.

- 2. If the head of the household dies or leaves the home, his or her family may continue to occupy the unit as long as there is a new lease executed with the remaining family members and a new head of household is established. Head of household must be eighteen (18) years of age or older.

I. VOLUNTARY MOVE-OUT

- 1. Tenants who wish to move out of rental units are required to provide the housing office with two weeks written notice of their intention to vacate.

2. Tenants who fail to provide any notice will be charged for the full month in which they vacated the unit. Tenants who provide the required notice will be prorated from the date they vacate.

## J. INSPECTIONS

1. Move-in inspections: The Housing Office will conduct a pre-occupancy inspection prior to move-in. At this time, the condition of the unit will be determined and agreed to by both parties, and all features of the unit will be explained.
2. Move-out inspections: Staff will conduct a move-out inspection within twenty-four hours after voluntary move-out or eviction.
  - a. any damage or cleaning determined to have been caused through the fault or neglect of the tenant family rather than through normal wear and tear shall be charged against the tenant's security deposit. A list of such damages or cleaning will be provided to the tenant, which, upon receipt of such list, has 48 hours within which to rectify the situation.
  - b. If damage charges exceed the security deposit, the tenant shall be billed for the excess amount. Failure to pay damage charged will result in court action to collect.
  - c. Vacating tenants who fail to pay any damage or other charges shall be ineligible for any further assistance from the housing office.
  - d. Any personal property or household goods and furnishings belonging to tenant which are left on the premises after voluntary or involuntary vacation due to termination of lease, eviction or abandonment of unit shall be removed after twenty-four hours. Said property shall be placed in a secure place for no less than five (5) days and no more than thirty (30) days. The owners of said property shall be notified by registered mail and shall be asked to remove said property immediately or notify the Housing Office as to when such removal will take place. The notification shall state a deadline for removal and the consequences if such deadline is disregarded.

After all of the above measures have been taken and the property has not been claimed, the Property Manager shall determine how said property shall be disposed of. The disposal method shall be removal of said property to the closest dumping facility; sale to pay damages or other expenses due on the vacated property by tenant; or donation to local charities.

3. Annual Inspections: The housing office shall provide reasonable notice of at least 24 hours prior to making any warranty or annual inspections. The family must allow access to all parts of the rental unit at the scheduled time of inspection, but is not required to be present. Inspections may be rescheduled if necessary.

## K. MAINTENANCE

1. Tenants keep their unit as reasonably clean and safe as the condition of the premises permits which means that it must be able to be cleaned in less than two hours. All maintenance and repair needs shall be reported to the housing office promptly by the family.
2. All maintenance work resulting from normal property wear and tear shall be completed at owner=s expense.
3. All maintenance work which is necessitated by tenant abuse, neglect or carelessness shall be completed by owner and charged to the tenant.

4. The maintenance staff may enter any unit at any time to make emergency repairs when damages threaten the unit or the safety of the family.

#### L. EVICTIONS

1. Eviction procedures will follow Montana Landlord Tenant law. No eviction action will be taken without first giving the tenant a notice of possible lease termination which states the cause(s) for the termination and corrective action required. The notice shall specify an appropriate period of time during which required action must be taken.
2. The tenant will be given an opportunity for a private conference to make any reply or explanation he/she may wish concerning the notice of lease termination.
3. If corrective action is not taken within the specified period of time, the Property Manager, with concurrence by the Director, shall begin eviction action through legal recourse.
4. A written record of every eviction will be kept and will contain the following:
  - a. Name of tenant and identification of unit occupied;
  - b. Date of notice of lease termination;
  - c. Specific reason(s) for lease termination;
  - d. Date and method of notifying tenant with summary of any conferences with the tenant, including names of all persons at the conference.
  - e. A statement that the tenant has been informed of his right to discuss and resolve any grievance with management.
  - f. A copy of any material presented to the court and copies of any court orders.

#### M. VIOLENCE AGAINST WOMEN ACT (VAWA)

RHA has added the following provision to its leases, and incorporated the policy into all administrative policy documents.

1. An incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as serious or repeated violations of the lease or other “good cause” for termination of the assistance, tenancy, or occupancy rights of such a victim.
2. Criminal activity directly relating to abuse, engaged in by a member of a tenants household or any guest or other person under the tenants control, shall not be cause for termination of assistance, tenancy or occupancy rights if the tenant or an immediate member of the tenants family is the victim or threatened victim of domestic violence, dating violence, or stalking.
3. Notwithstanding any restrictions on admission, occupancy, or terminations of occupancy or assistance, or any Federal, State or local law to the contrary, a PHA, Owner/Property Manager or manager may “bifurcate” a lease, or otherwise remove a household member from the lease, without regard to whether a household member is a signatory to the lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others. This action may be taken without evicting, removing, terminating assistance to, or otherwise penalizing the victim of the violence who is also a tenant or lawful occupant. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be effected in accordance with the procedures prescribed by Federal, State and local law for the termination of leases or assistance under the housing choice voucher program.
4. Nothing in this section may be construed to limit the authority of a public housing agency, Owner/Property Manager, or manager, when notified, to honor court orders addressing rights of access or control of the property, including civil protection of property among the household members in cases where a family breaks up.

5. Nothing in this section limits any otherwise available authority of an Owner/Property Manager or manager to evict or the public housing agency to terminate assistance to a tenant for any violation of a lease not premised on the act or acts of violence in question against the tenant or a member of the tenants household, provided that the Owner/Property Manager, manager, or public housing agency does not subject an individual who is or has been a victim of domestic violence, dating violence, or stalking to a more demanding standard than other tenants in determining whether to evict or terminate.
6. Nothing in this section may be construed to limit the authority of an Owner/Property Manager or manager to evict, or the public housing agency to terminate assistance, to any tenant if the Owner/Property Manager, manager, or public housing agency can demonstrate an actual imminent threat to other tenants or those employed at or providing service to the property if the tenant is not evicted or terminated from assistance.
7. Nothing in this section shall be construed to supersede any provision of any Federal, State or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking.

N. RULES OF OCCUPANCY

1. The tenant, members of his/her household, and visitors shall comply with all laws affecting the use or occupancy of the premises.
2. The tenant shall not create any disturbance which would cause annoyance or discomfort to other tenants or to the community.
3. The tenant shall keep the premises in as clean and sanitary condition as the premises permits, both inside and outside of the dwelling unit. Following Housing Quality Standards, it should take no more than two hours to store everything, sweep, vacuum and mop if required.
4. The tenant shall notify the housing office promptly of the need for any repairs to the premises. The tenant shall be charged for damages due to negligence or mistreatment of the property. All broken windows, blinds and screens will be repaired at the expense of the tenant.
5. The person whose name is on the lease is responsible for all actions of children and other residents or guests of the unit.
6. The tenant shall deposit all garbage, trash and rubbish in the suitable receptacle provided and keep the receptacle in the area provided. The tenant is responsible for disposing of all garbage within the unit. Trash pick-up days will be posted.
7. Plumbing, electrical or gas burning equipment shall not be used for any other purpose than those which they are intended (e.g., ranges are not to be used for heating the unit).
8. The housing office will not be responsible for any articles or personal property, including mail, left in vacated units.
9. Inflammables, gasoline, naphtha, solvents, etc., must not be kept in the dwelling unit.
10. Rubbish must not be burned.
11. Cars shall be parked only in designated parking areas. Cars in inoperable condition for over thirty days must be removed from the premises. If the tenant fails to remove the car, it will be disposed of at the tenant's expense.
12. Tenants may not sublease units, take in boarders, or use the house or grounds as a place of business.

13. No house pets of any kind are permitted in a unit nor are they allowed to be kept by tenants on the premises. The only exception to this rule is a guide dog or such animal as may be needed for the health and well-being of elderly or disabled families in accordance with Federal Regulations. No livestock is to be kept by rental tenants.
14. Tenants shall cooperate with the completion of all maintenance work and maintenance inspections. Tenants may not deny permission to enter rental units for maintenance work or inspection purposes.

O. LIMITATIONS OF AUTHORITY of CHDO ON MANAGED PROPERTIES

The housing office authority regarding management other properties is restricted to administrating of those policies outlined above or as otherwise provided for within any contract between the parties. All monies collected from owned properties will be deposited to appropriate accounts as designated by the property owners; and all payments made on behalf of owned properties will be made from the specific property accounts.

1. Reporting

- a. CHDO shall make monthly reports to the owners regarding occupancy, problems, conditions, maintenance and other pertinent issues which may be defined from time to time by the Board.
- b. CHDO staff shall be responsible for submitting reports to funding agencies regarding occupancy; for completing the annual budget for properties; for drawing any funds for subsidies of such units; for billing tenants for rent; for processing and paying all bills related to the property; and for properly accounting for all property income and expense of such properties.

**ADDENDUM E**

**LEASE**

This Agreement has been prepared in accordance with applicable State of Montana law. This Agreement is binding contract between Owner/Manager and tenant. The parties listed below in paragraph 1 agree as follows:

**1. PARTIES TO THE LEASE**

Owner: \_\_\_\_\_  
(Referred to as "Owner" in this Lease Agreement)

Managing Agent: \_\_\_\_\_  
(Referred to as "Manager" or "Agent" in this Lease Agreement)

Tenant: \_\_\_\_\_

Co-Tenant: \_\_\_\_\_  
(Tenant and Co-Tenant will be collectively referred to as "Tenant" or "I" in the Lease Agreement)

Others who will reside in this Unit:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
(Referred to as "Household Unit" in this Lease Agreement)

**It is a lease violation to add any person with the exception of children to this household for a period of three months after the date of this document.**

**2. PROJECT NAME**

\_\_\_\_\_ (Project Name).

**3. LEASED PREMISES**

Unit \_\_\_\_\_ Bedroom Size \_\_\_\_\_  
(Referred to as the "Premises" or "Unit" in this Lease Agreement)

**4. Service Animals.** The animal policy of this project is as follows:

Tenant must submit an application for a service animal under the guidelines of the LCCHDO Service Animal Policy.

**Pets are not allowed on the grounds of this project.**

For those families earning the right for a service animal:

- (a) Requirements of service animals and their owners include: Dogs must be licensed in accordance with county regulations and wear a vaccination tag; Animals must be in good health; Animals must be on a leash at all times; the owner must be in full control of the animal at all times.
- (b) Owners of service animals will be required to exhibit proof of vaccination and the appropriate spay or neuter certificate and provide a photo of the animal.
- (c) Cleanliness of the service animal is mandatory. Consideration of others must be taken into account when providing maintenance and hygiene of service animals. The owner is expected to clean and dispose of all animal waste.
- (d) OWNER/MANAGER may remove an animal whose conduct is determined to constitute a nuisance or a threat to the health or safety of others and in situations involving abuse or neglect of the animal regardless of its status as a service animal.
- (e) Violation of the animal policy is a substantial violation of this Agreement and will result in removal of the animal, termination of tenancy, or both.

**5. NUMBER OF OCCUPANTS.** The number of occupants listed above must be in accordance with occupancy limits as set forth by Owner/Manager based upon local codes, ordinances, and Rural Development regulations as each may change from time to time. Owner/Manager may change the occupancy limit during the lease term if changes in laws, ordinances, or regulations make such change necessary. The minimum occupancy limit will correspond to the number of bedrooms. The maximum occupancy limit will depend on local ordinances. Presently, the occupancy limits for this unit are as follows: \_\_\_\_\_ person minimum occupancy; \_\_\_\_\_ person maximum occupancy. Notwithstanding the above, Owner/Manager shall have the right to make reasonable accommodations for individuals with disabilities and may adjust occupancy limits to further the goal of reasonable accommodation.

It is a violation of this lease to add any other person to the lease for a period of 6 months from the date of the lease. **(See visitor's # 8)**

**6. TERM OF LEASE.** This Lease Agreement will commence on \_\_\_\_\_, 20\_\_\_\_. If this Lease Agreement commences on the 1<sup>st</sup> of a month, this Lease will run for a one-year term from its date of commencement. In the event that this lease commences mid-month, the term of this Lease Agreement term will be for one year from the 1<sup>st</sup> of the month following commencement. This Lease Agreement automatically renews for additional terms of month to month, calculated from the date of expiration, provided that Tenant continues to meet eligibility requirements. Tenant must notify Owner/Manager in the manner described in paragraph 21 of this Lease Agreement if Tenant does not desire automatic renewal.

**7. ELIGIBILITY REQUIREMENTS.** Prior to execution of this Lease Agreement, Tenant must establish eligibility with the managing Agent according to program regulations. The Tenant agrees to submit to annual recertification of income and eligibility. The Tenant agrees to cooperate with this process by providing all required income and household member information.

**8. LEASE CLAUSES.** Tenant should read each of the following lease clauses carefully. Tenant's signature on this Lease Agreement certifies that Tenant has read, understood, and agreed (where applicable) to all of the following representations:

\_\_\_\_\_ **Nondiscrimination.** The project is subject to nondiscrimination provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and the Age



Discrimination Act of 1975. Complaints of Fair Housing violations may be sent directly to the Secretary of Housing and Urban Development, Washington, DC 20410.

\_\_\_\_\_ Violations of Drug Laws and Domestic Violence. **“It is understood that the use, or possession, manufacture, sale or distribution of an illegal substance (as defined by local, state, or federal law) while in or on any part of this apartment complex or cooperative is an illegal act. It is further understood that such action is a material lease violation. Such violations (hereinafter called “drug violation(s)”) may be evidenced upon the admission to or conviction of a drug violation. It is further understood that domestic violence will not be tolerated on Lake County Housing controlled properties, and that such action is a material lease violation. All perpetrators will be evicted, while the victim and other household occupants may remain in the unit in accordance with eligibility requirements.**

The Owner/Manager may require any lessee or other adult member of the tenant household occupying the unit (or other adult or non-adult person outside the tenant household who is using the unit) who commits a drug violation or domestic violence to vacate the leased unit permanently, within time frames set by the Owner/Manager, and not thereafter enter upon the Owner/Manager’s premises or the lessee’s unit without the Owner/Manager’s prior consent as a condition for continued occupancy by members of the tenant household. The Owner/Manager may deny consent for entry unless the person agrees not to commit a drug violation or domestic violence in the future and is either actively participating in a counseling or recovery program, complying with court orders related to a drug violation or domestic violence, or has completed a counseling or recovery program.

The Owner/Manager may require any lessee to show evidence that any non-adult member of the tenant household occupying the unit, who committed a drug violation or domestic violence, agrees to not commit a drug violation or domestic violence in the future, and to show evidence that the person is either actively seeking or receiving assistance through a counseling or recovery program, complying with court orders related to a drug violation or domestic violence, completed a counseling or recovery program within time frames specified by the Owner/Manager as a condition for continued occupancy in the unit. Should a further drug violation or domestic violence be committed by any non-adult person occupying the unit, the Owner/Manager may require the person to be severed from tenancy as a condition for continued occupancy by the lessee.

If a person vacating the unit, as a result of the above policies, is one of the lessees, the person shall be severed from the tenancy and the lease shall continue among any other remaining lessees and the Owner/Manager. The Owner/Manager may also, at the option of the Owner/Manager, permit another adult member of the household to be a lessee.

Should any of the above provisions governing a drug violation be found to violate any of the laws of the land, the remaining enforceable provisions shall remain in effect. The provisions set out above do not supplant any rights of tenants afforded by law.”

\_\_\_\_\_ Visitors. Tenant may have visitors or guests. Tenant is responsible for the conduct of all family members, guests and visitors to Tenant’s household, both in the unit and on the property of this development. Tenant must provide Owner or Manager with proof of domicile of guest upon request. Manager/Owner may request proof of domicile when visitor(s) makes reoccurring visits or one continuous visit of 14 days and/or nights in a 45-day period without prior notification. Owner/Manager may take appropriate action as set forth in this lease if the Tenant cannot provide sufficient evidence that the visitor has another domicile as the visitor will be deemed a household member.

9. DUE DATE OF RENT AND UTILITY PAYMENTS. \$ \_\_\_\_\_, Tenant’s monthly rental payment are payable without invoice and due on the 1<sup>st</sup> of each month but will not be considered late if they are

received by the 5<sup>th</sup> of each month. Payments are to be paid during designated site office hours or mailed to Lake County Housing Assistance office, P.O. Box 146, Ronan, MT 59864. Payments are credited on the date that they are received, not on the date on which they are mailed. Prepayments are accepted only if the Tenant will be away during rent payment period. Personal checks or money orders are accepted and should be made payable to the owner. Tenant is responsible for NSF charges to Project accounts. Tenant will pay a \$30.00 NSF fee for all returned checks. After two (2) returned checks only bank checks or money orders will be accepted for payment.

If payment is not received by the 5<sup>th</sup> of the month, a late fee in the amount of \$25.00 and \$5.00 per day commencing on the 6<sup>th</sup> of the month is assessed. Water, sewer, and trash collection payments are the responsibility of the Owner.

Tenant is responsible for payment of all telephone and cable TV (if available and inclusive of hook-up/installation) charges and all electric utilities. At move-in, Tenant must notify the electric company to place the apartment meter in Tenant's name and sign a utility release for management. Tenant receives a utility allowance if applicable under this Lease. Failure to pay utilities is a Lease violation. Should the meter be turned off or be removed this could lead to termination of this Lease Agreement.

10. SECURITY DEPOSIT. Tenant shall deposit (\$\_\_\_\_\_) with the Owner/Manager as a security deposit. The deposit is due prior to occupancy unless paragraph (a) of this section is applicable. The security deposit shall be applied upon the termination of this Agreement to charges, which include but are not limited to the following: unpaid rent or late fees, damages unpaid, delinquent utility charges and legal fees. After deductions as listed, the balance (if any) of deposit shall be refunded to Tenant or Tenant's estate. Tenant will receive a written statement, which itemizes the reasons for security deposit retention within thirty (30) days of vacating the premises. If charges exceed deposit amount, then Tenant or estate shall be billed for the amount exceeding deposit. If after inspection there are no damages to the premises, no cleaning required, and no rent unpaid and if the tenant can demonstrate that no utilities are unpaid by the tenant, the Owner/Manager shall return the security deposit within 10 days by mailing it to the new address provided by the tenant or, if a new address is not provided, to the tenant's last-known address.

- a) If the household is eligible for Section 8 assistance or the RA program and payment of the security deposit in full would bring hardship on the Tenant, then the security deposit may be paid in installments. If the Tenant is eligible for installment payments and the project is an RRH project, the first payment shall be no less thirty (30) percent of adjusted monthly income plus \$15 per month, or that amount needed monthly to complete the security deposit within 3 months whichever is greater. The remaining balance of the security deposit shall be paid in two equal installments, with the first due on the 1<sup>st</sup> day of the second month of the lease term and the second due on the 1<sup>st</sup> day of the third month of this Lease Agreement. If the installment payments are not met, the entire security deposit is immediately due and payable in full or the lease will be terminated.
- b) If the tenant is allowed to have a pet a reasonable additional security deposit of \$300.00 will be charged.

11. TENANT RESPONSIBILITIES. By signing this rental agreement, Tenant agrees to undertake the obligations set forth below. Tenant should read each obligation carefully:

- a) Pay Rent and Utilities. Tenant shall pay the rent each month on or before the 1<sup>st</sup> without a statement of billing; and to pay electric, gas, and \_\_\_\_\_ (fill in any other applicable utilities) utility bills for this unit;

**b) Number of Occupants. Tenant shall not accommodate boarders or lodgers. This unit is a dwelling for only those persons listed on paragraph 1 of this Agreement;**

**c) Request Permission to Sublet. Tenant shall not sublet or assign this apartment.**

**d) Tenant shall:**

1. Comply with all obligations primarily imposed upon tenants by applicable provisions of building and housing codes materially affecting health and safety;
2. Keep that part of the premises that the tenant occupies and uses as reasonably clean and safe as the condition of the premises permits;
3. Dispose from the dwelling unit all ashes, garbage, rubbish, and other waste in a clean and safe manner;
4. Keep all plumbing fixtures in the dwelling unit or used by the tenant as clean as their condition permits;
5. Use in a reasonable manner all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, and other facilities and appliances, including elevators, in the premises;
6. Conduct oneself and require other persons on the premises with the tenant's consent to conduct themselves in a manner, that will not disturb the tenant's neighbors' peaceful enjoyment of the premises; and
7. Use the parts of the premises, including the living room, bedroom, kitchen, bathroom, and dining room, in a reasonable manner, considering the purposes for which they were designed and intended. This section does not preclude the right of the tenant to operate a limited business or cottage industry on the premises, subject to state and local laws, if the Owner/Manager has consented in writing. The Owner/Manager may not unreasonably withhold consent if the limited business or cottage industry is operated within reasonable rules of the Owner/Manager;
8. A tenant may not destroy, deface damage, impair, or remove any part of the premises or permit any person to do so.

**12. Permission to Enter. Tenant shall permit Manager or representative to enter the premises during all reasonable hours with 24 hours notice to examine the unit, make repairs or show the unit for releasing, or to enter to determine if premises are being used in violation of Lease Agreement terms; the manager or representative reserves the right to enter at any time in case of emergency or if it impracticable to give a 24 hour notice.**

**13. Surrender in Good Condition. Tenant agrees to leave the premises in good condition upon lease termination, surrender the unit (and all keys) in good condition, and pay all damages.**

**14. Rules and Regulations. Tenant further agrees to follow rules and regulations regarding:**

- a) Office hours;**
- b) Community lounge and laundry use;**
- c) Assigned parking; and**
- d) Pets.**

**All rules and regulation are posted on the community bulletin board and distributed to Tenants individually. Failure to follow the rules is a violation of this Lease Agreement and grounds for termination of this Lease Agreement.**

**15. OWNER/MANAGER RESPONSIBILITIES. Owner/Manager shall:**

- a) Comply with the requirements of applicable building and housing codes materially affecting health and safety in effect at the time of original construction in all dwelling units where construction is completed after July 1, 1977;
- b) Make repairs and do whatever is necessary to put and keep the premises in a fit and habitable condition;
- c) Keep all common areas of the premises in a clean and safe condition;
- d) Maintain in good and safe working order and condition all electrical, plumbing, sanitary, heating, ventilating, air-conditioning, and other facilities and appliances, including elevators, supplied or required to be supplied by the Owner/Manager;
- e) Unless otherwise provided in a rental agreement, provide and maintain appropriate receptacles and conveniences for the removal of ashes, garbage, rubbish, and other waste incidental to the occupancy of the dwelling unit and arrange for their removal;
- f) Supply running water and reasonable amounts of hot water at all times and reasonable heat between October 1 and May 1, except if the building that includes the dwelling unit is not required by law to be equipped for that purpose or the dwelling unit is so constructed that heat or hot water is generated by an installation within the exclusive control of the tenant; and
- g) Install, in accordance with rules adopted by the department of justice, an approved smoke detector in each dwelling unit under the Owner/Manager's control. Upon commencement of a rental agreement, the Owner/Manager shall verify that the smoke detector in the dwelling unit is in good working order. The tenant shall maintain the smoke detector in good working order during the tenant's rental period. For purposes of this subsection, an approved smoke detector is a device that is capable of detecting visible or invisible particles of combustion and that bears a label or other identification issued by an approved testing agency having a service for inspection of materials and workmanship at the factory during fabrication and assembly.
- h) Furnish the Tenant with a unit, appliances installed (stove, refrigerator). Prior to Tenant moving into and after the Tenant moving out of the unit, Owner/Manager will give the Tenant a written statement of the condition of the unit based upon an inspection of the unit. Give Tenant written notification of any inspection dates so that Tenant has the opportunity to participate in the inspection. Give Tenant copies of all documents and forms signed by both parties or Tenant along with any other pertinent data (orientation booklet, appliance manuals, maintenance procedures, and emergency numbers).
- i) Not seize or hold the property of the Tenant for rent or other financial obligations of the Tenant, except in cases of abandonment. In cases of abandonment, property will be disposed of in accordance with State of Montana law.

**16. LEASE TERMINATION.**

**(a) By Tenant.**

1. **Desire Not to Renew at End of Term.** Tenant's lease automatically renews for one-year terms. Should Tenant wish not to renew this Lease Agreement, notice in writing must be given to the management office thirty (30) days prior to lease termination.
2. **Desire to Terminate During Term.**
  - A. **Good Cause only during First Term.** Tenant may terminate this Lease Agreement during its term for "good cause" with thirty (30) days written notice to the management office. "Good Cause" includes, but is not limited to: involuntary transfer of Tenant's employment, an involuntary termination of Tenant's employment, death of a spouse, or severe illness of Tenant or notification of the tenant by the Owner/Manager of intent to prepay.
  - B. **Any Cause after First Term.** After the first term (12 months) of the Lease, Tenant may give management a thirty (30) day notice of intention to vacate on the 1<sup>st</sup> day of the month in writing. Tenant will be responsible for payment of rent and all utilities for the thirty (30) day period. Tenant agrees that security deposit money shall not be used for last month's rent.

**(b) By Management.**

1. **Management may terminate this Lease Agreement or refuse to renew it if there is material noncompliance with this Lease Agreement or other "good cause."** "Material noncompliance" includes, but is not limited to the following:
  - A. **Nonpayment or repeated late payments (payments after the 5<sup>th</sup> of each month) of rent or any other financial obligation due under this Lease Agreement.**
  - B. **Use, attempted use, possession, manufacture, sale or distribution of an illegal controlled substance in or on the premises by the Tenant, Tenant's guests or household members.**
  - C. **Unauthorized pets.**
  - D. **Residence in the unit by unauthorized persons.**
  - E. **Damage or destruction to the premises by Tenant Tenant's guests or household members.**
  - F. **Any illegal activity by residents, members of the household or guests of the household including prostitution, criminal street gang behavior, threatening or intimidation of neighbors, acts of violence or threats of violence, including but not limited to threatening use of firearms, or any breach of the Rental/Lease Agreement that otherwise jeopardizes the health, safety, welfare and enjoyment of the property by the landlord, his agents or other residents of the property;**
2. **Material noncompliance will result in a 3-day notice of termination of the lease agreement (unless a longer period is required under Montana law). Notice of termination for reasons not listed herein, but which are otherwise provided under Montana or federal law will be provided in accordance with State law.**
3. **The failure or omission of the management to terminate this lease for any cause shall not constitute a waiver to do so later for similar or other causes.**

4. If the noncompliance is remedial by repairs, the payment of damages, or otherwise and the tenant adequately remedies the noncompliance before the date specified in the notice, the lease agreement does not terminate.
5. Subsequent lease violations involving the same or similar conduct within a six (6) month period may result in termination of the Lease regardless of whether Tenant cures or attempts to cure the violation. Termination notice for subsequent violations of the same rule or regulation will be a minimum of five (5) days.

17. **MODIFICATION TO LEASE OR RULES AND REGULATIONS/NOTICE TO TENANTS.** The Owner/Management may modify the terms and conditions of this Lease Agreement, effective at the end of the initial term or a successive term, by serving an appropriate notice on the Tenant, together with the tender of a revised lease or an addendum revising the existing lease. Owner Manager shall provide this notice to the Tenant either by first-class mail, properly stamped and addressed, or by hand delivery to the premises to an adult member of the household.

If notice is made with a certificate of mailing or by certified mail, service of the notice is considered to have been made upon the date 3 days after the date of mailing. The notice must be sent at least thirty (30) days prior to the last date on which the Tenant has the right to terminate the tenancy without executing the revised lease. The notice will advise Tenants that they may appeal modifications to the lease in accordance with Rural Development Tenant grievance and appeals procedure and housing office policies if the modification will result in a denial, substantial reduction, or termination of benefits being received.

The same notification will be applicable to any changes in the rules and regulations for the project.

18. **ASSIGNMENT OF LEASE/PREPAYMENT OF RURAL DEVELOPMENT LOAN.** (Rural Development Properties Only) If there is a change in Ownership and/or Management of this property, this lease may be assigned to the new Ownership and/or Management. In the event of prepayment of the Rural Development loan, the Owner/Agent will give Tenant a six-month notice of intent to prepay. Tenant contributions to rent may not be increased for the term of the lease. (The escalation clause for rent changes approved by Rural Development for budgetary reasons will continue to be applicable, however.) Any lease signed after notification of intent to prepay, but prior to prepayment may be for a term which ends on the date of prepayment. In the event of borrower prepayment, borrower must comply with all applicable Rural Development procedures.

19. **DESTRUCTION OF PREMISES DUE TO FIRE OR OTHER DISASTER.** If the premises are either partially or completely destroyed by fire, Owner/Manager may, at their sole discretion and without liability to Tenant, elect to either terminate this Lease Agreement or repair/rehabilitate the Premises within three months. If Owner/Manager chooses to rehabilitate or repair, Tenant's rent and occupancy charges shall be pro-rated so that Tenant does not pay for the period when Tenant cannot occupy the premises. If the Premises are not rehabilitated or repaired within three (3) months of the date of the fire or other disaster, this Agreement will immediately terminate.

20. **SEVERABILITY.** If any provision of this Agreement is found to be contrary to federal, state, or local law or regulations, the remainder of this Agreement shall continue in full force and effect.

21. **METHOD OF GIVING NOTICE.** Notice called for under the terms of this Lease Agreement must be given in writing and may be delivered by first-class mail, postage prepaid, to the following addresses:

- a) Notice by Tenant to Owner/Manager

\_\_\_\_\_ [Name of Project]  
LAKE COUNTY COMMUNITY HOUSING (LCCHDO)  
07 Main Street  
Bonan MT 59864  
406-676-5900

b) Notice by owner/Manager to Tenant

\_\_\_\_\_  
[Name of Tenant]  
\_\_\_\_\_  
[Address of Tenant]  
\_\_\_\_\_

22. GRIEVANCE PROCEDURES. Tenant's grievance or appeal from a decision of Owner/management shall be resolved in accordance with procedures consistent with applicable housing office grievance policies.

23. THIS LEASE IS THE ENTIRE AGREEMENT OF THE PARTIES. This Lease, together with attachments, is the entire Agreement between management and Tenant(s) and no changes shall be made except in writing.

24. SIGNATORY CLAUSE. This Lease Agreement is effective on the lease date when executed by the Tenant and Manager (authorized by the Owner to execute the Lease and all other documents on its behalf). In signing this Lease, Tenant agrees that he/she has read the Lease and enters into Agreement of his/her own free will. The Tenant will receive a duplicate original of this Agreement.

Tenant Signature \_\_\_\_\_ Date \_\_\_\_\_

Co-Tenant Signature \_\_\_\_\_ Date \_\_\_\_\_

Owner Signature \_\_\_\_\_ Date \_\_\_\_\_

Owner's Authorized Agent

Attachments:

- a) Tenant Certification
- b) Security Deposit Payment Form
- c) Move-In Inspection
- d) Tenant Utility Release Form
- e) Development Rules/Regulations
- f) Rental Policy Manual including Violence Against Women Act requirements
- g) Periodic tenant notices distributed by the management

EMERGENCY NOTIFICATION

All residents of the \_\_\_\_\_ (project name) must sign this special Lease Supplement.

\_\_\_\_\_  
Tenant Signature \_\_\_\_\_ Date \_\_\_\_\_

Name of Person to Notify in case of an Emergency  
\_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

Name to Contact in Case of Death (if different from above)

\_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

\_\_\_\_\_ [Project Name]

SECURITY DEPOSIT FORM

A security deposit is required for all tenants in this development. The required deposit is \$\_\_\_\_\_. This deposit will be placed in a tenant security deposit trust account for the term of occupancy by the tenant. No interest will accrue to the Tenant on the security deposit. The security deposit may NOT be applied to the last month's rent. At the time of move-out, after a unit inspection of the premises has been conducted, a determination of refund will be made. Any charges to the tenant will be deducted; after deductions, if any, any or all deposit money remaining will be refunded within 30 days.

TENANT \_\_\_\_\_ UNIT # \_\_\_\_\_

MOVE-IN DATE \_\_\_\_\_

REQUIRED SECURITY DEPOSIT \$ \_\_\_\_\_

PAYMENTS MADE: \$ \_\_\_\_\_ DATE \_\_\_\_\_

\$ \_\_\_\_\_ DATE \_\_\_\_\_

\$ \_\_\_\_\_ DATE \_\_\_\_\_

If the deposit is allowed to be paid in installments under the Lease Agreement, the entire amount must be paid in full within \_\_\_\_\_ months of move-in.

DATE PAID IN FULL: \_\_\_\_\_

TENANT ACKNOWLEDGEMENT OF SECURITY DEPOSIT POLICY:

\_\_\_\_\_  
Tenant Signature

\_\_\_\_\_



Co-Tenant Signature

MANAGEMENT SIGNATURE \_\_\_\_\_

\_\_\_\_\_ [Project Name]

TENANT PERMISSION TO OBTAIN UTILITY RECORDS

Residents of this complex must pay electric and heating costs. A utility allowance is in effect for this property. Non-subsidized tenants benefit from this allowance so long as giving all or part of the allowance does not bring the rental amount below the required minimum payment. Any subsidized tenant receives the full benefit of the allowance.

An annual analysis of utility cost must be completed to determine average kilowatt use and whether the current allowance figure is sufficient. To compile this data Owner/Manager requests your permission to obtain information directly from the utility company.

RELEASE INFORMATION – Resident of \_\_\_\_\_ (Project Name)

I/We authorize any representative of LCCHDO to obtain utility data as needed for my apartment at this complex. The utility company has my/our permission to release the requested information regarding utility use and/or payments during my/our tenancy in this complex.

\_\_\_\_\_  
Tenant Signature                                  Unit #                                  Date

\_\_\_\_\_  
Co-Tenant Signature                                  Unit #                                  Date

\_\_\_\_\_ [Project Name]

HOUSE RULES

The following rules are part of the Lease Agreement. Violation of these house rules constitutes a material violation of the Lease agreement.

Tenant, Tenant’s household members, and guests must abide by the following:

- 1. Use the common areas in accordance with hours posted on the bulletin board and in accordance with any Resident Handbook (if one is provided). Private functions in community areas require prior manager approval. Laundromats and office hours will also be posted.
- 2. Follow the service animal rules for this project [Place an “X” on the underline to indicate which rules are appropriate]. The rules are as follows:

PETS ARE NOT ALLOWED ON THIS PROJECT PROPERTY

OWNER/MANAGER must give prior written approval for all service animals prior to the animal's arrival on premises. OWNER/MANAGER will grant or deny permission for an animal according to HUD regulations, requirements arising under the Americans with Disabilities Acts (ADA) and

OWNER/MANAGER policy. No uncaged pet of any kind shall be kept, harbored, or babysat in any other unit owned by the OWNER/MANAGER unless prior written approval is obtained.

- A. OWNER/MANAGER has the right to remove an animal whose conduct is determined to constitute a nuisance or a threat to the health or safety of others.
  - B. Violation of this policy is a substantial violation of this Agreement and will result in termination of tenancy.
  - C. In all projects if a Tenant is handicapped or disabled and requires a service animal for assistance, such animal may reside on the premises with verification of need and prior management permission.
  - D. OWNER/MANAGER has the right to remove a service animal whose conduct is determined to constitute a nuisance or a threat to the health or safety of others and in situations involving the abuse or neglect of the animal.
  - E. Residents may house caged birds and small aquariums with fish, turtles, or hamsters.
  - F. Service animals must follow these conditions unless specified by a medical care provider:
    - 1) **The weight of the full grown animal must be 30 pounds or below;**
    - 2) **Residents may have only one animal per household;**
    - 3) **Animals must be house trained, in good health with proof of all required immunizations, including rabies (as evidenced by a veterinarian's certificate), be neutered/spayed and licensed.**
    - 4) **Tenant is responsible for care and cleanliness of service animal on the premises and accompanying grounds. When outside the unit, animals must be leashed and may not be left unattended. Dogs may not run loose outdoors. Resident is responsible for disposal of kitty litter and "pooper scooping" outdoor waste. An area will be designated for animal exercise on the grounds of the project.**
    - 5) **Tenant must provide management with a signed agreement naming at least other individual or entity to care for the animal on a temporary or permanent basis if the resident is no longer able to do so. Resident must agree to permit management to implement this agreement if they cannot properly care for the animal if it shows signs of abuse, causes damage to the premises or presents a danger to others.**
    - 6) **Tenant acknowledges that Owner/Management is not responsible for any injury or illness to the animal.**
    - 7) **Complaints by staff or other tenants regarding the animal may result in termination of approval.**
    - 8) **Service animals may only be in common areas with the owner and may not be allowed on furniture.**
    - 9) **Tenant agrees that with written notice, these rules may be amended as Owner/Management deems needed.**
3. **Park all vehicles in accordance with parking procedures as set forth in the handbook. No vehicles may be parked on the premises that are not in service or will not be used (i.e. cars left unused for winter months). No vehicles may have repairs or maintenance performed by tenants on the property (i.e. oil changes, etc.). No junk cars or inoperable vehicles may be parked on the site. No recreational vehicles (i.e. ATVs, mini bikes, etc.) may be ridden on the property. All vehicles with kickstands kept in the parking area will use kickstand bases. All vehicles will be moved in accordance with snow season procedures posted each year.**
4. **Dispose of trash in tied plastic bags and leave trash in the trash receptacles. Should pick-up days be designated in the handbook tenants will follow those procedures.**
5. **Authorize management to obtain utility information and to sign the Permission Form that is an attachment to the Lease.**

6. Install no additional locks to the unit doors without prior management approval. Return all issued and copied keys upon surrender of unit. If keys are lost, tenant shall pay cost for replacement. Tenant shall pay a lock-out fee if it is necessary to send management to provide access to the unit. The fee at this time is \$\_\_\_\_\_.
7. Be responsible for the conduct of all members of household, visitors, and guests; and to follow all regulations regarding visitation, absence from the unit and adding persons to the household as stated in the Lease Agreement.
8. Written revisions of these rules with prior notice by management in accordance with program regulations. Resident Handbooks (if provided) regarding procedures, emergency contacts, etc., may be revised as needed with updated handbooks issued by management. Policy memos will always be issued in writing to tenants and posted on the community bulletin board.
9. Regular lights and smoke detector batteries are the tenant's responsibility to replace.
10. Test GFI outlets by using test and reset buttons only.
11. Outdoor cooking is not allowed on front or back porches and only in designated areas.
12. No painting or alteration of the units of any kind.
13. Pay attention to water usage, open exterior spigots greatly increase operating costs and ultimately increase your rent. Leave the irrigation system alone.

**I/WE HAVE READ THESE RULES, ACKNOWLEDGE THAT THESE RULES MUST BE FOLLOWED, AND AGREE TO FOLLOW THESE RULES.**

Tenant \_\_\_\_\_ Date \_\_\_\_\_

Co-Tenant \_\_\_\_\_ Date \_\_\_\_\_

## ADDENDUM F

### GRIEVANCE POLICY

#### **Purpose**

The purpose of this policy is to establish the procedure by which the Lake County Housing Office shall insure that all individuals utilizing housing services are given the opportunity to dispute action or failure to act, and to receive within a reasonable period of time a response to the dispute. A copy of the Grievance Policy shall be given to each individual when requested. A copy shall be displayed in the housing office.

#### **Applicability**

The Grievance Policy shall be applicable to all individual disputes between an individual and any program under the administration or control of the Housing Office. The Policy shall not be applicable to disputes among individuals not involving the Authority. The Policy is only applicable to disputes regarding the interpretation or implementation of established policy. It shall not be used as a method of initiating changes in Authority policy.

#### **Definitions**

For the purpose of this policy, the following definitions are applicable:

1. GRIEVANCE shall mean any formal complaint or dispute which an individual may have with respect to Housing Authority action, or failure to act, in accordance with the individual lease, agreement, contract or in accordance with any other Housing Office regulations.
2. RESIDENT REQUEST shall mean a formal written letter stating the grievance and signed by the individual.
3. INDIVIDUAL shall mean any tenant under any Low Rent Program, Section 8 Certificate Program, CDBG Home Rehabilitation Program or Home buyer program and any person or entity receiving services from any program under the administration or control of the this office.
4. CONCILIATION MEETING shall mean an informal meeting between the Executive Director, or his designee, and the individual, in an attempt to resolve a grievance prior to scheduling a Grievance Hearing.
5. GRIEVANCE HEARING shall mean a formal presentation to the Housing Board of all facts pertaining to a grievance and decision by the Board on the merits of the appeal.

#### **Documentation**

1. The Authority staff shall keep a record of all formal and informal individual grievances, requests for assistance, or other communications requesting a review of Authority action or failure to act.
2. A Resident Request Form shall be completed and signed by the individual whenever there is a grievance. A letter requesting action and signed by the individual may substitute for a Resident Request Form.
3. All action taken to respond to an individual grievance shall be recorded with an indication of results achieved and further action required or anticipated.

4. Any Grievance Hearing before the Board of the Housing Authority will be documented in the minutes, plus any explanatory materials, to be entered in the record kept regarding the appeal.

### **Informal Settlement of Grievances**

1. The Housing staff shall make every effort to respond to individual grievances, problems, requests for assistance, requests for action, or appeals of decisions so as to avoid the necessity for formal Resident Requests and Grievance Hearings before the Board.
2. Staff shall, if requested, assist individuals to document grievances, and to complete Resident Request Forms.
3. Staff shall respond to grievance notifications within ten working days of receipt.
4. If the individual is not satisfied with the initial response, the housing staff, including the Executive Director, shall make additional effort to satisfy the complaint, holding a conciliation meeting within an additional 5 working days.

### **Grievance Hearing**

1. An individual may request a Grievance Hearing within fifteen working days of receipt of a formal response to his request. A Grievance Hearing may not be requested until the individual has filed a formal grievance and the staff has made a response.
2. A letter requesting a hearing signed by the individual is required for a hearing. If a hearing is not requested within the required 15 working days, the matter in dispute will not be considered further, and the individual will be required to adhere to the action specified in the original response.
3. When a Request for Grievance Hearing is received, a hearing will be scheduled at the earliest mutual convenience of the Board of Commissioners and the complainant.
4. Both Housing Office and complainant shall be provided the opportunity for discovery as follows:
  - a. By family. The family must be given the opportunity to examine before the hearing any housing documents that are directly relevant to the hearing. The family must be allowed to copy any such document at the family's expense. If the document is not available for examination on request of the family, Housing may not rely on the document at the hearing.
  - b. By housing. The hearing procedures provides that the staff be given the opportunity to examine before the hearing any family documents that are directly relevant to the hearing. If the family does not make the document available for examination on request of the HA, the family may not rely on the document at the hearing.
5. At a formal Grievance Hearing before the Board of Commissioners, the following procedure will be followed:

The hearing will take place at the beginning of the board meeting.

All visitors and guests other than the Executive Director or designee and staff person recording minutes will be requested to leave the meeting room while the hearing is in progress. The complainant has the right to be represented by another person of their choice at the hearing. There will be an opportunity for both the Authority and the complainant to make an opening statement, present witnesses and documents, and ask questions of or cross-examine the other party. The format of the hearing shall not imply that the burden of proof is more on one side than the other; the purpose of the hearing is to present all information required in order to allow a decision by the Board based on the merits of the grievance. The Board will make a decision on the grievance within ten working days of the hearing. This decision will be

transmitted within 15 working days to the complainant, both orally and in writing, by Housing. The decision shall be binding on Housing.

**Payment and Deposit of Rent or Monthly Payments**

Where a grievance involves payment of rent or monthly payments or other charges, the individual may not withhold payment pending a Grievance Hearing by the Board. The complainant must make rent payments, monthly payments, and payments for other charges when due; the Authority shall place these monies in its accounts, and shall not use them for any purpose until a Grievance Hearing is held and a decision is rendered.

**Appeal of the Decision of the Board**

The individual may appeal the decision of the Board through the appropriate judicial process. Such appeal shall be based upon the record made at the Board hearing unless good cause be shown by the complainant for the submission of additional evidence.

## ADDENDUM G

### ADMINISTRATIVE MANAGEMENT PLAN LAKE COUNTY CHDO MAXWELL SENIOR APARTMENTS

1. **Ownership:** The Lake County Community Housing Development Organization (CHDO) is a not-for-profit 501(c)(3) organization which develops and owns certain rental properties in Lake County which provide safe, clean and affordable housing for very low and low-income households. The CHDO has a Board of Directors (Board) that oversees, directs, hires and maintains a Management Staff (Management) for the operations of the CHDO. The CHDO is the General Partner of and manages Maxwell Senior Apt LP Apartments. Maxwell Senior Apartments consists of a 21 unit senior apartment located in Ronan Montana and an 8 unit senior apartment located in St Ignatius Montana. The apartments are operated in accordance with the guidelines and additional conditions as may be required by USDA Rural Development.
  - A. An identity of interest relationship exists, Maggie Newman is Chair of the Board of Directors on the CHDO, she also owns Farm Union Insurance agency of Ronan and as such is the primary insurance provider for the properties. The CHDO has requested price quotes from other providers in the area and the Farm Union Agency has consistently been the lowest cost.
  - B. The Management is responsible for the day-to-day operations of the project. The Management Agreement specifies that no expense over \$1,000 will be made for routine maintenance without the Board's prior approval. This limitation is not applicable for emergency repairs involving manifest danger to persons or property, or that are required to avoid suspension of any necessary service to the project. In this event, the Management will inform the Board of the facts as promptly as possible.
  - C. The CHDO's Board President is the key contact for the Owners. The CHDO's Housing Manager is the key contact for operational questions such as those related to the collection of rent, enforcement of leases, employees, disbursement from the project's rental accounts and budget.
  - D. Owner's (Board's) Responsibilities:
    - (1) Monitor Management's operation of the project during regular board meetings, convey concerns or questions and offer advice or solutions.
    - (6) Approve all non-budget expenditures which exceed \$1,000, except emergency repairs that exceed this amount to avoid endangering life or property.
    - (5) Appoint and hire appropriate staff to perform day-to-day operation of the project as per this Management Plan. Management is to consult with the Owners on all other matters.
    - (6) Provide decent, safe, sanitary housing to meet the needs of the population to be served.
    - (6) Review monthly financial statements, reports & budgets
  - E. Management Responsibilities:

CHDO Housing Manager will have the general supervisory responsibilities over policies and procedures and the execution of the duties and services outlined in the Management Plan. The Housing Manager will have full authority for both the physical maintenance and financial administration of the project within the financial limitations and within the policy guidelines set forth by the Owner. The Manager's specific responsibilities are as follows: all other decisions which emanate from the instructions in the Management Plan contents including: hiring on site staff, tenant selection, unit designation and orientation, rent agreement and other document signing, detailing staff duties, upkeep of records, and waiting lists.

## **2. Personnel Policy and Staffing Arrangements.**

- A. The policy of the CHDO is one of equal opportunity for prospective employees regardless of race, color, religion, sex, handicap, familial status or national origin.
- B. The staffing plan for this property will be created by the Housing Manager to provide on-site staff to represent the Owner on the property and to handle minor day to day management and maintenance issues including area and laundry room cleanliness.
- C. The Management will be responsible for day-to-day operations of the project; handling tenant complaints, problems and repair requests, rental collections, coordinating repairs, making calls to appropriate contractors and helping with tenant functions and resident council (if formed). In addition the Management will be responsible for carrying out the marketing, leasing, certification and recertification, and other duties as stated in the Management Agreement. The Management will provide staffing for day to day janitorial duties, minor repairs utilizing a work order system, grounds maintenance and snow removal. These may be contracted out along with trash/rubbish removal. Through a bidding process, the determination will be made as to the most efficient and economical way to contract out these services and in accordance with the annual budget.
- D. All employees and property managers under the supervision of the Management will be fully trained in USDA Rural Development rules and regulations, as well as state and federal laws governing rental housing. The Management is thoroughly knowledgeable in all aspects of USDA Rural Development property management and Rural Development regulation. The Management will supervise the training of all staff members in the certification process and in all management functions. The Management will send staff to recognized training workshops, seminars and conferences on USDA Rural Development policies and procedures, Fair Housing and Section 504.
- E. Management is responsible to see that the project is operated within the approved project budget (RD form 3560-7). The management fee stipulated in the budget (\$45.00 per occupied unit month) will be used to pay management salaries. Other allowable administrative fees such as insurance and office costs are stipulated in the budget.

## **3. Plans and Procedures for Marketing Units; Achieving/ Maintaining Full Occupancy; and Meeting HUD Form 935.2, Affirmative Fair Housing Marketing Plan requirements.**

- A. The Management has complete charge over marketing and management of this project. Tenants will be selected from the waiting list in accordance with Rural Development priorities and equal opportunity. Applicants who are very low income will be given first priority. The CHDO's policy in marketing is to reach the greatest number of people in order to achieve and maintain 100% occupancy. Advertisements



in local newspapers, meeting with town officials and outreach groups shall be used. A sign offering rental information will be posted along with the project sign.

- B. An *Affirmative Fair Housing Marketing Plan* (AFHMP) has been prepared for use in marketing these units. Application packets shall be made available to all interested parties. The *Fair Housing* poster, *Justice For All* poster, *Tenant Grievance and Appeal Procedure*, *Tenant Selection Criteria*, and an executed copy of the AFHMP, shall be displayed on site. Posters/Flyers will be placed in local businesses as needed. Newspaper ads will be placed as needed. All correspondence, flyers/posters, and ads will contain all required equal housing opportunity wordage and logos.
- C. Marketing will continue from initial rent-up until there are sufficient applications to achieve 100% occupancy in accordance with regulatory agency requirements and/or assistance program standards. Once 100% occupancy and a waiting list is achieved, marketing will only be used to fill any vacancies. At least once a year affirmative marketing ads will be done to notify the public that applications are available. In addition, the waiting list will be updated for continued interest on an annual basis. Special marketing will be done for designated handicap accessible/adapted units as necessary.
- D. To assist in optimum communication with applicants and/or tenants that have sight or hearing impairments, the CHDO will link with the statewide available toll free TDD number. This number will be posted on the project sign and will be included in all marketing materials. Sign language interpreters for the hearing impaired will be provided upon request. Other accommodations will be available for the visually impaired, to include audio tapes of company policies and forms. Assistance will be given for completing application materials. The CHDO will provide handicap accessible facilities for tenant interviews.
- E. Reasonable accommodations will be provided by the CHDO to individuals with handicaps. These accommodation's may include but not be restricted to changing water faucets, kitchen and bathroom fixtures, doorknobs and assigning handicap parking spaces as a project expense. The Management's policy is that all requests for accommodations be submitted in writing for consideration. No reasonable request for structural modifications will be denied. The project would cover the cost of such approved requests unless it poses a financial and administrative burden on the project. In such cases accommodations may still be authorized if other funding is made available or the tenant pays the cost.
- F. The application, selection/rejection process is detailed in the Tenant Selection Criteria. This, along with the waiting list are available upon request. The move-in/move-out checklist will be utilized to record unit condition. A copy will be provided to the tenant and a copy will be maintained in the project files.
- G. At initial project entry, the Management will explain income requirements, rental rate determination, occupancy rules and regulations, and tenant responsibilities. The tenant will receive a copy of the occupancy rules and regulations that describe project use and care. The Management will show vacant units and other common areas and will acquaint the prospective tenant with the project.
- H. The Management is responsible for determining tenant eligibility and their position on the waiting list. Tenants will be selected after a personal interview and determination of eligibility and references and other data have been verified.
- I Applicants will be notified of waiting list status, selection or rejection. Applicants found to be USDA - Rural Development ineligible are notified in writing as to reason for rejection and the fact that they may

contact the Management if there are questions as to why the rejection occurred. Rejections not due to income ineligibility shall also receive the Grievance procedure notification. The CHDO's policy is one of open communication regarding selection and eligibility. Rejected or withdrawn applications will be maintained on file for a minimum of three (3) years or until a compliance review has been completed by USDA Rural Development Procedures for determining eligibility and certifying and re-certifying incomes.

**4. The CHDO will maintain all applications, along with all other project records at 407 Main Street, Ronan, Montana 59864**

- A. All interested persons may obtain and submit an application for housing. Incomplete applications will be returned to the person for completion prior to being accepted. Applications will be logged by date and time of receipt and placed on the waiting list. Verifications of data will be completed when the person's name comes upon the waiting list. The Tenant Selection Criteria details this process.
- B. The Management will prepare tenant certifications and re-certifications, verify tenant income and prepare leases. Tenant files will be maintained on each tenant and will be retained for a minimum of three (3) years after the tenant moves from the project.
- C. Project funds will pay overage when overage is due and payable through no fault of the tenant.

**5. Leasing and Occupancy policies**

- A. A description of occupancy standards for the project as well as project leasing/occupancy policies and procedures and criteria for tenant selection are described in the Tenant Selection Criteria.
- B. The Management is knowledgeable in all areas regarding USDA Rural Development rules and regulations and personally trains all staff members in the certification process and all related management functions. In addition, the Management is aware of State law as applicable. Management will use the RD Management Handbook to determine lease provisions and prohibitions, occupancy standards, and admissions policies.

**6. Rent and Occupancy Charge Collection Policies and Procedures.**

- A. Tenants will be instructed in the procedure of payment inclusive of mailing instructions and/or office hours for personal payments. Rent will be due on the first of each month and may be mailed or delivered to P.O. Box 128 or 407 Main Street, Ronan, MT. 59864 or dropped in a deposit box located at the on-site laundry facility. If rents are not received by the fifth of each month, a late fee of \$15.00 plus \$1.00 per day for each day the payment is late will be assessed via a 3-day written notice to the tenant. If payment has not been received by the 8th of any month, and no acceptable arrangements have been made with the Management, eviction proceedings will begin. In an individual situation where a tenant will be absent at payment time, prepayment will be accepted.
- B. The Management will keep a record of all rents received and promptly deposit rents in the operating and maintenance account.
- C. The security deposit required will be \$300.00. Security deposits will be placed in the Tenant Security

Deposit Account. The interest accrued on this account is left to accumulate. In cases of extreme hardship, the tenant may pay the required deposit over a three (3) month period. Deposit monies will be refunded unless there are charges either deducted or billed for unpaid rent, breach of lease resulting in loss of rent due to lack of a 30 day notice, damage or other charges at the time of move-out.

## **2. Procedures for Requesting and Implementing a Rent Rate Change.**

In the event a change in rental rates is necessary, the Owner/Management will submit a request for a rate increase pursuant to USDA Instruction 3560.205, or subsequent instruction. This request will be made to correspond with the project's fiscal year of operation except where extreme operational concerns have arisen due to local economic conditions. Change requests will be made 90 days prior to the effective date of the increase and will apply to all units within the project. All rent increase notices will be given to tenants 30 days prior to change. Utility allowance reviews will occur annually with the annual budget and analysis report to USDA Rural Development.

## **8. Plans and Procedures for Carrying out Maintenance, Repair, and Replacement Programs.**

- A. Preventive maintenance will be an important phase of the overall maintenance program. All appliances, heating and/or cooling systems, washers, dryers, hot water heaters, etc., will be inspected during annual tenant recertification or tenant move-in inspections to check for proper operation. Building exteriors and common areas will be checked annually for needed repairs. Special emphasis will be given to proper carpet care, repainting, exterior and upkeep of grounds as required. The Management will arrange for hiring of local service technicians for the repair of appliances, plumbing and electrical problems.
- B. Project as-built plans will be located at 407 Main Street S.W. in Ronan, MT. The Owners will be responsible for updating the as-built plans as modifications occur. Any changes to the plans will be noted by the Management with architect consultation.

## **9. General Maintenance Procedures and Schedules Are as Follows:**

- A. The Owners have provided the Management a complete list of all appliances and mechanical equipment along with warranty numbers and service details, as well as data regarding regular care and upkeep.

- (1) Appliances and mechanical equipment in individual apartments will be inspected upon vacating of apartment and repairs necessary will be made at that time.
  - (2) Safety checks on smoke detectors and fire extinguishers will be done annually.
  - (3) The Management Agent is responsible for lighting maintenance in common areas and outside lighting.
  - (4) Upon apartment vacancy the apartment will be inspected and any necessary maintenance will be done.
  - (5) Apartments will be repaired and repainted upon determination of a need. Exterior painting will be done when necessary.
  - (6) Major repairs will be done as needed.
  - (7) Garbage and trash removal services will be provided by BFI.
- B. Maintenance requests are made in writing to the Management during regular office hours and are attended to as soon as possible. Tenants will be provided with phone numbers for reporting emergency repairs after office hours or on weekends. Regular unit inspections will be conducted on an annual basis at minimum. Any regularly scheduled major improvements, such as repaving of walks, and drives, will be coordinated with management and owner approval.
- A. When purchase orders are produced, goods and/or services are verified by the Management and approved for payment within 30 days of receipt of the invoice. When major maintenance repairs are necessary and sufficient funds are not available in the General Operating Account, a request may be made in writing to the Rural Development Servicing Office for the use of Reserve funds.

## **10. Plans and Procedures for Providing Supplemental Services:**

Coin-operated washing machines and coin-operated dryers are utilized at the project. These machines are owned and maintained by the Owner/Management. Proceeds from these machines are deposited into the general operating account.

## **11.Plans for Accounting, Record Keeping, and Meeting Rural Development Reporting Requirements.**

- A. passbook savings accounts. All income and expenses for this project are maintained in accordance with USDA Rural Development regulation and designated accounts are in place for project operations. The accounts will be a tax and insurance escrow account, security deposit account, general operations account and replacement reserve account.

The replacement reserve account is established in a countersignature account requiring at least two signatures, that of Owner/Management and that of USDA Rural Development in order to make authorized withdrawals. All reports will be filed in a timely manner to the appropriate office. The accounting system will be detailed and maintained on a monthly basis. The Controller within the management operation will oversee all project records and will supervise the preparation of all financial reports, mortgage payments, work sheets and annual reports to USDA Rural Development. Administrative and financial records will be maintained in the central office and furnished upon request for review.

- B. Project funds will not be commingled. Interest is assessed at the rate and in the manner in which the bank handles their

- C. The management's chart of accounts will be compatible with USDA Rural Development's suggested chart of accounts. The Controller of the management operation will be responsible for the preparation and submission of the quarterly and annual reports to USDA Rural Development. A CPA or other individual qualified by education and experience and not associated with the Management or the Owner will provide the annual review of accounts.
- D. Individual folders will be kept for all tenants and will contain completed tenant application, verification of all income, assets and expenses, tenant certification, rental agreement, security deposit data, rent receipts, repair/maintenance requests and correspondence. Administrative documents will be filed together along with folders for project and unit maintenance history. All folders for tenants who have vacated an apartment will be kept a minimum of three (3) years and/or until a compliance review has been completed by USDA Rural Development. Tenant folders, administrative and financial records will be kept where all audits and/or reviews will be held. The Management Agent will be contacted for any compliance reviews or site visits.
- E. These units are also operated under a tax credit partnership agreement dated December 1, 1999 that includes the following reporting provisions:

**Books and Records, Accounting, Reports and Statements and Tax Matters.**

11.E.1 **Books and Records.** The General Partner shall, at the expense of the Partnership, keep and maintain, or cause to be kept and maintained, the books and records of the Partnership using the cash method of accounting so as to permit the preparation of financial reports and tax returns on a cash basis. The General Partner may, in its sole discretion, adopt the accrual method of accounting if it appears to be advantageous or required under federal income tax law. All books and records of the Partnership shall be kept at the principal office of the Partnership.

11.E.2 **Annual Accounting Period.** All books and records of the Partnership shall be kept on the basis of an annual accounting period ending December 31 of each year, except for the final accounting period which shall end on the date of termination of the Partnership. All references herein to the "fiscal year of the Partnership" are to the annual accounting period described in the preceding sentence, whether the same shall consist of twelve months or less.

11.E.3 **General Partner's Report to Limited Partners.** The General Partner shall send at Partnership expense to each Limited Partner the following:

11.E.3.1 Within seventy-five (75) days after the end of each fiscal year of the Partnership, such information as shall be necessary for the preparation by such Limited Partner of his federal income tax return which shall include a computation of the distributions to such Limited Partner and the allocation to such Limited Partner of profits, losses and other tax items, as the case may be; and

11.E.3.2 Within one hundred twenty (120) days after the end of each fiscal year of the Partnership, an annual report, which shall include:

- (a) A balance sheet;
- (b) A statement of income and expenses;
- (c) A statement of change in Partners' capital; and

(d) A statement of the balances in the Capital Accounts of the Partners; and

11.E.3.3 On written request, copies of interim financial statements prepared by or for the Partnership.

11.E.4 Right to Examine Records. Limited Partners shall be entitled, upon written request directed to the General Partner, to (a) review the records of the Partnership at all reasonable times and at the location where such records are kept by the Partnership, and (b) obtain a list of the names, addresses and Percentage Interests of the Limited Partners.

11.E.4 Tax Matters Partner. For the purpose of Section 6231(a)(7) of the Code, the tax matters partner of the Partnership shall be the General Partner.

11.E.5 Tax Returns. The General Partner shall, at Partnership expense, cause the Partnership to prepare and file a United States Partnership Return of Income and all other tax forms and returns required to be filed by the Partnership for each fiscal year of the Partnership.

11.E.7 Tax Elections. The General Partner is authorized to cause the Partnership to make and revoke such elections for federal income tax purposes as it, in its sole discretion, deems necessary or advisable, including, in the event of a transfer of all or part of the Partnership interest of any Partner, an election pursuant to Section 754 of the Code, or any successor provisions, to adjust the basis of the assets of the Partnership or any similar provision enacted in lieu thereof. Each of the Partners will, upon request, supply any information necessary to properly give effect to any such election.

## **12. Energy Conservation Measures.**

- A. At the time of occupancy, tenants will be oriented to the energy saving features of their unit. Features will be explained to each tenant and the best way for them to conserve. Tenants will be instructed to turn off lights upon leaving a room. Turn off the stove when not in use. Turn down thermostats to 65 to conserve energy. Keep windows closed during the cold months; allow air circulation in the warmer months.
- B. Each unit is metered separately and all bills are to be paid by the tenants for electric and/or heating costs. The original utility allowance will be updated annually as needed.
- C. The Management Agent will have control over water used for lawn and shrubbery watering, and the electricity used for lighting the exterior of the project and the common areas. Doors and windows will be kept as air tight as possible and in good repair. Hot water heaters will be set at 130 degrees at all times.

## **13. Plans for Tenant Participation in Rural Rental Housing (RRH) Project Operations and Tenant's Relationship with Management**

- A. Tenants will be oriented to all units, given personal inspections and handbooks. Office hours will be available for tenants to meet with the local management. All notices regarding tenant residency will be

distributed and posted on the community bulletin board along with equal opportunity posters, and upcoming management sponsored events. Notice will be available to vision and/or hearing impaired upon reasonable request.

- B. Residents will be encouraged to form a council, if desired by the tenants, and to plan community events, get-togethers, parties and potluck dinners. Management will attend council meetings if asked, and will respond to all tenant issues arising at such meetings.
- C. The Tenant Grievance and Appeal Procedure (Multifamily Instruction 3560.160) will be posted on the community bulletin board. Should tenants have any complaints or problems, these will be channeled through the local office of management operations and all attempts will be made to address the situation. The Management Agent is knowledgeable of USDA Rural Development rules as to grievances and will explain in detail to any tenant.

#### **14. Plans for Carrying out Management Training Programs.**

All Management staff will be trained in Multifamily Handbook 3560 requirements, and all company policy for employment with the Management. After orientation, all staff is expected to understand and follow all State and Federal regulations. Staff will also attend accredited and USDA Rural Development sponsored training to be updated on all regulations. External training will be completed by at least one person of the Owner/Management staff. This may include Spectrum Training, Fair Housing seminars sponsored by the Montana Board of Housing, and/or annual meetings held by USDA Rural Development.

#### **15. Termination of Leases or Occupancy Agreements and Evictions.**

- A. The Management is knowledgeable of USDA Rural Development requirements as well as State law regarding termination of rental agreements and evictions. Management staff is responsible for knowing and administering State and local laws and Rural Development's requirements regarding the notification procedure for tenant/member termination of lease or occupancy agreement and subsequent eviction procedures through State or local judicial process.
- B. At the time of occupancy, all lease provisions will be clearly explained to the tenant. The term of all leases is a minimum of 12 months. The tenant may give written 30 days notice in the first term with management approval for emergency, medical, job transfer or other extenuating circumstances including death. After the first term, the tenant may give 30 days written notice to vacate for any reason. Special focus is given to clauses leading up to evictions. Should an eviction be necessary, all data backing up this decision will have been documented in the tenant file. Management may terminate the lease for good cause which includes one or more substantial violations or repeated minor violations as well as for misrepresentations by the tenant in regard to rent, income, or eligibility. Substantial violations include nonpayment of rent or security deposit or other financial obligations such as failure to pay utility bills or intentional damage. Repeated minor violations include breaking house rules, reported late payment of rent or disruption of the quiet, peaceful enjoyment of other residents. The rental agreement clearly outlines all provisions and procedures for tenant giving notice to vacate or for management eviction of tenant. The Management Agent is responsible for determining and overseeing leasing and eviction policy.
- C. The Management is knowledgeable of all legal requirements regarding notification under State laws

and multifamily Handbook 3560 requirements. Procedures regarding warning notices and serving the intent to terminate and eviction notices will be followed. USDA Rural Development will receive copies of all evictions for their review or as requested.

**16. Security Servicing**

- A. The Management is knowledgeable of legal requirements regarding fidelity coverage. All rules will be met inclusive of the listing of required agency's and/or mortgage holders and/or mortgage servicers as co-obligee on the fidelity policy. The Management is responsible for all insurance activity.
- B. All insurance coverage will be handled through the Management who is knowledgeable of the RD requirements for insurance. USDA Rural Development will be listed as a mortgagee on the main property/liability policy.

**17. Management Compensation.**

The project management fee will be as outlined in the Rural Development approved budget form 3560-7. Other approved administration costs will be paid based on costs as long as such costs are with in the approved budget.

**18. Validity of the Management Plan.**

This Management Plan has been prepared for use in the operation of a 16 unit and a 4 unit Section 515 Rural Rental Housing Project designated for very low to low-income family households located in Polson, Montana.

IN WITNESS WHEREOF, the parties have executed this Management Plan on the date below written.

**OWNER and GENERAL PARTNER: Lake County Community Housing Development Organization**

By : Marget V. Newman \_\_\_\_\_ (Date)  
President, Board of Directors  
(Title)

**Available upon request:**

- Administrative Policy Manual
- Tenant Application
- Lease Agreement & Attachments
  - Attachments including: Rules of Occupancy, Move-In/Move-Out Inspection Checklist, Tenant Certification Form RD-1944-8, Emergency Notification and Tenant Selection Criteria
- Waiting List Form



As lender or insurer of funds to defray certain costs of the project and without liability for any payments hereunder, the USDA Rural Development hereby concurs with this Management Plan.

**USDA Rural Development Approving Official**



By : \_\_\_\_\_

\_\_\_\_\_

(Date)

\_\_\_\_\_

\_\_\_\_\_

(Title)

(Date)

# ADDENDUM H

## Administrative Plan HCV Homeownership Program

### Addendum to HCV Administrative Plan

The City of Ronan Housing Authority (RHA) hereby establishes a Section 8 tenant-based homeownership option in Ronan, Montana pursuant to the U.S. Department of Housing and Urban Development's (HUD) final rule dated October 12, 2000 and Section 555 of the Quality Housing and Work Responsibility Act of 1998 under Section 8(y), Homeownership Option, and revisions to the regulations.

#### II. PROGRAM SET-ASIDE

The number of Housing Choice Vouchers that will be made available for the homeownership program will initially be limited to 5 vouchers. Upon use of all 5 vouchers an additional set aside of 5 will be designated for homeownership based on availability.

#### III. PARTICIPANT QUALIFICATION

IV. [24 CFR 982.626, 982.627]  
V.

Any Section 8 eligible program participant who has completed one year of satisfactory compliance with the HCV program and meets the additional eligibility requirements may use their Section 8 housing choice voucher assistance to purchase rather than rent a home, subject to the following:

- 1) A family must meet the requirements for continued participation in the RHA tenant-based HCV Program (Section 8).
- 2) The family must be a current participant in the RHA HCV program and been a participant for at least one year in good standing.
- 3) RHA does not currently operate a FSS program and participation in FSS is not a requirement.
- 4) Only current participants receiving HCV tenant-based assistance are eligible for the HCV Homeownership Program. Families enrolled in the public housing must become a RHA HCV tenant-based program participant prior to enrollment in the HCV Homeownership Program. The family must not be in violation of any RHA or HUD requirements.
- 5) The family must qualify as a first-time homeowner as defined by HCV HO regulations, or may be a cooperative member.
- 6) The non-disabled/non-elderly family must meet the Federal minimum income requirement of \$14,500. The family must have a gross annual income equal to the Federal minimum wage (\$7.25 effective July 24, 2009) multiplied by 2,000 hours, based on the income of adult family members who will own the home. Welfare assistance cannot be used to determine the minimum income requirement.

- 7) For an elderly or disabled family, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone, multiplied by 12.
  - a. For an elderly or disabled family, welfare assistance payments for adult family members who will own the home will be included in determining whether the family meets the minimum income requirement. It will not be included for other families.
- 8) The family must satisfy the employment requirements by demonstrating that one or more adult members of the family who will own the home at commencement of homeownership assistance is currently employed on a full-time basis (not less than an average of 30 hours per week); and has been continuously so employed during the year before commencement of homeownership assistance for the family. RHA's policy is that continuously employed is defined as if the break in employment does not exceed two months.
- 9) The employment requirement does not apply to elderly and disabled families. For a non-elderly/non-disabled family that includes a person with disabilities, RHA will grant an exemption from the employment requirement if the family requests and provides adequate verification that it is needed as a reasonable accommodation.
- 10) The family has not previously defaulted on a mortgage secured debt to purchase a home under the HCV homeownership program.
- 11) Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, the family has entered a contract of sale in accordance with 24 CFR 982.631(c).
- 12) RHA requires the participant to have no indebtedness to the RHA or any other PHA, nor be in a current repayment agreement with RHA or a PHA.
- 13) The family has not committed any serious or repeated violations of a RHA-assisted lease within the past year.
- 14) The family is in good standing with all terms of the family obligations and has been so for at least one year.
- 15) Participants in the HCV Homeownership Program must attend, satisfactorily complete, and receive written certification of the pre-purchase homeownership counseling program through Lake County Community Housing of Lake County or other approvable housing counseling provider, and be deemed to be "mortgage ready" before a homeownership voucher will be issued. At a minimum, the counseling will cover the following:
  - Home maintenance
  - Budgeting and money management
  - Credit counseling
  - Negotiating the purchase price of a home
  - Financing
  - Locating the home
  - De-concentration issues

- Fair housing, predatory lending
- Truth in lending, RESPA
- Family must only purchase a home that passes HQS inspection and has been satisfactory according to the independent inspection.

**VI. ISSUANCE OF HOMEOWNERSHIP VOUCHER**

Upon successful completion of the homeownership counseling and recertification of eligibility and income, the family will be issued a HCV HO Voucher and referred to a participating financial institution to be pre-qualified for an affordable home. RHA will provide the financial institution with the family's estimated homebuyer subsidy for inclusion in the qualification determination.

The voucher will be valid for a total of 180 days from the date of issuance. The family must enter into a purchase agreement within the time period allotted, unless an extension is provided by RHA in writing.

**VII.  
VIII.  
IX.**

**TIME FRAME TO PURCHASE A HOME**

[24 CFR 982.626(B), CFR 982.629(A)]

An applicant will have a maximum of 180 days from the date of issuance of a homeownership voucher to find a home and enter into a Purchase Agreement.

If an applicant is unable to enter into a Purchase Agreement before the end of the initial 180-day period, the applicant will be provided an extension of 60 days to either enter into a Contract of Sale. Failure to complete the home purchase process does not disqualify the family from continued participation in the HCV rental program.

Any additional extension will be at the discretion of the RHA's Executive.

**Permitted Ownership Arrangements**

The Homeownership Program may be utilized for the following types of housing:

- 1) A single-family unit owned by the family, where one or more adult family members hold title to the home, or a home previously occupied under a lease-purchase agreement. Such unit may be a single-family home, half of a duplex or single unit within a condominium or multi-plex.
- 2) A cooperative unit, where one or more adult family members hold membership shares in the cooperative.
- 3) A manufactured home on a permanent foundation in which the family owns the land in fee simple, or if the family does not own the land on which the home sits, the family has the right to occupy the land for at least forty years.
- 4) For RHA-owned units all of the following conditions must be satisfied:

- RHA informs the family, both orally and in writing, that the family has the right to purchase any eligible unit and a RHA-owned unit is freely selected by the family without RHA pressure or steering;
- The unit is not an ineligible housing unit;
- RHA obtains the services of an independent agency to inspect the unit for compliance with HQS, review the independent inspection report, review the contract of sale, determine the reasonableness of the sales price and any RHA provided financing. All of these actions must be completed in accordance with program requirements. RHA will obtain the services of a neighboring PHA or the statewide HCV administering agency to perform these services, so long as the independent agency is operating a HCV Homeownership Program

Participants in the HCV Homeownership Program must initially complete a Purchase Agreement with the owner of the property to be purchased.

The Purchase Agreement must include the seller's certification that the seller(s) has not been debarred, suspended, or subject to a limited denial of participation under any federal contract in accordance with 24 CFR.

The Purchase Agreement must include the home's price and other terms of sale, the RHA pre-purchase HQS inspection requirements (including a provision that the participant will arrange for an independent pre-purchase inspection of the unit as set forth below), a provision that the participant is not obligated to purchase the unit unless the inspections are satisfactory to the purchaser and RHA, and an agreement that the purchaser is not obligated to pay for any necessary repairs. Buyer is not obligated for the purchase of the unit unless satisfactory financing can be secured and that is subject to approval by RHA.

The participant must obtain an independent professional home inspection of the unit's major systems at the participant's expense. A member of the American Society of Home Inspectors (ASHI), a regular member of the National Association of Home Inspectors (NAHI), the State Association of Building Inspectors, or other recognized qualifying agent acceptable to both the lender and RHA must conduct the independent inspection. The inspector shall also be acceptable to the local lending institutions. In all cases the inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical and heating systems. The inspectors must provide a copy of the inspection reports both to the family and to RHA.

RHA may not require the family to use an independent inspector selected by RHA. The independent inspector may not be a RHA employee or contractor, or other person under control of RHA. However, RHA has established standards for qualification of inspectors selected by families under the homeownership program.

RHA will conduct a Housing Quality Standards (HQS) inspection first, and if satisfactory, then require the independent inspection. RHA will then review the independent professional inspection report of the unit's major systems. RHA retains the right to disqualify the unit for inclusion in the Homeownership Program based on either the HQS inspection, the independent professional inspections report or termite.

RHA has established requirements for financing purchase of a home under the homeownership option. This may include requirements concerning qualification of lenders, terms of financing, restrictions concerning debt secured by the home, lender qualifications, loan terms, and affordability of the debt. The RHA established policies describing these requirements are contained in the administrative plan.

RHA may not require that families acquire financing from one or more specified lenders, thereby restricting the family's ability to secure favorable financing terms. Lenders must be willing to accept direct payment from RHA to the lender, or provide for servicing whereby a two payment system is acceptable from RHA and the participant on a monthly basis. RHA has contacted lenders that have been briefed on the program, and RHA will provide a list of these lenders to the participants.

As a check against predatory lending, RHA will review the financing and refinancing of each purchase transaction, including estimated closing cost. RHA will not approve loans with features such as: balloon payments, adjustable rate mortgages (ARMs), and unusually high interest rates. RHA will not approve any loans that contain predatory practices. RHA will not approve "seller financing" or "owner held" mortgages. Beyond these basic criteria, RHA will rely on the lenders or the secondary market to determine the affordability of the loan. However, RHA will also provide a determination on the affordability of the loan to program participants. RHA will not approve financing where the family would be obligated for a participant's share to exceed 40% of the participant's monthly adjusted income. Any exception to this provision must be approved by the Executive Director.

The mortgage the family applies for may require a minimum down of at least 3% of the sales price with 1% of the down payment coming from the purchaser's personal funds. RHA will not require the family have more than a maximum of 3% of the purchase price of the home in the transaction. However, in cases where a lender is requiring a larger amount, the family must be held to the underwriting guidelines set by their lending institution. RHA will require the purchaser with 1% of the down payment coming from the purchaser's personal funds.

RHA will approve a family's request to utilize its Family Self Sufficiency escrow account for down payment and/or closing cost when purchasing a unit under the HCV homeownership program, per FSS program policies.

The household is solely responsible for obtaining financing. All loans must meet FHA, Fannie Mae, Freddie Mac, Rural Development or other reputable secondary markets, or acceptable mortgage insurance credit underwriting requirements, or governmental instruments. The first mortgage must provide for the escrow of taxes and insurance. RHA will review lender qualifications, loan terms, and other family debt and expenses to determine that the debt is affordable and reserves the right to disapprove the loan if it is unaffordable or the terms are considered predatory.

There is no prohibition against using local, state, Community Development Block Grant (CDBG), HOME, Rural Development, Federal Home Loan Bank or other subsidized financing in conjunction with the Homeownership program. RHA will review the layers and terms for satisfactory conditions, and retains the ability to approve or disapprove any and all financing terms.

In the event of an appeal to any local determination on financing, the decision of the Executive Director.

**X. OWNERSHIP TITLE**

The title of the unit to be purchased may be held jointly by one or more members of the assisted household or may be in a cooperative in which one or more members of the assisted household own shares. Town homes, condominiums, manufactured housing or other structure types are acceptable as long as a fee simple title can be transferred to the assisted family. Land leases are acceptable as long as they meet the HCV HO regulatory requirements.

Except in the case of a family that qualifies as an elderly or disabled family, other family members (described below) shall not receive homeownership assistance for more than:

- Fifteen years, if the initial mortgage incurred to finance purchase of the home has a term of 20 years or longer; or
- Ten years, in all other cases.

The maximum term described above applies to any member of the family who:

- Has an ownership interest in the unit during the time that homeownership payments are made; or
- Is the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made.

In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least 6 months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance).

If the family has received such assistance for different homes, or from a different PHA, the total of such assistance terms is subject to the maximum term described in this part.

In order for a non-elderly/non-disabled family to continue to be assisted, they must continue to fulfill the employment requirement of an average of a minimum of 35 hours per week. In case of unemployment, an adult homeowner will re-secure employment within 90 days, unless a documented hardship exists. In the event of a documented hardship (i.e. layoff, company closure, death of a working adult, federal disaster, etc.), the head of household must provide on a monthly basis to the Homeownership Coordinator, verification that they are attempting to pursue employment. The homeowner must show a plan to return to work in order to remain eligible for the program. RHA will assist the participant to secure employment through the client services programs and linkage to Job One. After six months on unemployment, the homeowner may be terminated from the Homeownership Voucher Program.

Participants are required to attend post-purchase and other forms of ongoing homeownership counseling.

RHA does not conduct routine HQS inspections on an annual basis. However, RHA retains the right to conduct a HQS inspection at any time if there is a complaint on the condition of a unit that is being assisted, or RHA observes a unit that is not in compliance with HQS standards. RHA will require the family to participate in additional post-purchase counseling and further require the family to bring the unit to HQS standards within 30 days. Failure of the family to comply may result in termination of the assistance.

In addition to completing the pre- and post-purchase homeownership counseling program, the family must execute a HUD Statement of Homeowner Obligations (HUD- ) and RHA's Statement of Homeowner Obligations Addendum prior to the issuance of the homeownership voucher, agreeing to comply with all family obligations under the Homeownership Program, including but not limited to:

- 1) The family must comply with the terms of any mortgage securing debt incurred to purchase the home or any refinancing of such debt.
- 2) At any time the family is receiving homeownership assistance, the family may not sell or transfer any interest in the home to any entity or person other than a member of the assisted family residing in the home.
- 3) A home equity loan or any refinancing may not be acquired without the prior written consent of RHA.
- 4) The family must provide required information regarding income and family composition in order to correctly calculate the total tenant payment (TTP) and homeownership assistance, consistent with the HCV requirements and any other information requested by RHA concerning financing, the transfer of any interest in the home, or the family's homeownership expenses.
- 5) While receiving homeownership assistance, the family must notify RHA if the family defaults on a mortgage securing any debt incurred to purchase the home.
- 6) While receiving homeownership assistance, the family must notify RHA before the family moves out of the home.
- 7) The family must, at annual reexamination, document that the family is current on mortgage, insurance, escrow accounts, repair reserve account, and utility payments.
- 8) The family is prohibited from moving more than one time in a one (1) year period. The family may be required to participate in pre- and post-purchase homeownership counseling prior to re-housing.
- 9) While receiving homeownership assistance, no family member may have any ownership interest in any other residential property.
- 10) Sign a release allowing RHA, counselors, realtors, and participating lenders to exchange information on the borrower.



- 11) Agree to maintain the condition of the home to comply with minimum HUD Housing Quality Standards (HQS).
- 12) Acknowledge that the termination of assistance shall be in accordance with program requirements and the Administrative Plan.
- 13) Acknowledge that the family is obligated for the whole mortgage payment in the event of termination of assistance.
- 14) Disclose any and all changes of family composition and family income immediately to RHA.
- 15) Agree that the family must immediately notify RHA of any late payment, delinquency notices, or default notices and must agree to participate in default counseling with a designated agency to become current.
- 16) Agree to attend any identified financial, homeowner or post purchase counseling during time of assistance.
- 17) Agree to the continued employment requirement as stated in RHA's Administrative Plan.
- 18) RHA requires the family to maintain a minimum reserve for maintenance and major repairs. The minimum reserve shall be equal to the monthly reserve amounts times the number of months assisted as a homeowner less any RHA approved withdraws.
- 19) Agrees that should they itemize deductions for IRS taxing purposes, they shall deduct in accordance with the IRS opinion that provides for a prorate deduction of the interest on a homeownership mortgage and homeownership taxes.

XI.  
XII.  
XIII.

**ASSISTANCE PAYMENT**  
[24 CFR 982.635]

The monthly homeownership assistance payment is the lower of: the voucher payment standard minus the Total Tenant Payment (TTP), or the monthly homeownership expenses minus the Total Tenant Payment (TTP).

In determining the amount of the homeownership assistance payment, the RHA will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described in elsewhere in this plan for the Housing Choice Voucher program.

RHA may pay the homeownership assistance payments directly to the lender or at the lender's discretion, directly to a servicing agent. If the assistance payment exceeds the amount due to the lender, the RHA must pay the excess directly to the family.

Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family.

The RHA must adopt policies for determining the amount of homeownership expenses to be allowed by RHA in accordance with HUD requirements.

RHA's housing assistance payment will be paid directly to the lender. If the assistance payment exceeds the amount due to the lender, RHA must pay the excess directly to the family. The family can also place these funds in an account that can be used for repairs or other homeownership expenses.

RHA requires the family to maintain a minimum reserve for maintenance and major repairs. The minimum reserve shall be equal to the monthly reserve amounts times the number of months assisted as a homeowner less any RHA approved withdrawals.

RHA will allow the following homeownership expenses:

Monthly homeownership payment: This includes principal and interest on initial mortgage debt, taxes, and homeowner insurance, and any mortgage insurance premium, if applicable.

Utility Allowance: The RHA utility allowance for the unit, based on the current HCV utility allowance schedule.

Monthly maintenance allowance: The monthly maintenance allowance will be the annual maintenance allowance, divided by twelve. The maintenance allowance varies by bedroom size and shall be as follows:

- 1-bedroom = 20
- 2-bedroom = 25
- 3-bedroom = 30
- 4-bedroom = 40
- 5-bedroom = 50

Monthly major repair/replacement allowance:

- 1-bedroom = 20
- 2-bedroom = 25
- 3-bedroom = 30
- 4-bedroom = 40
- 5-bedroom = 50

The replacement allowance must be deposited to a savings account in an approved financial institution at the monthly rate determined above. At the annual recertification RHA will require verification that the required amount less any valid expenditures are adequately maintained. Failure to maintain this account will result in a commensurate reduction in the HAP.

Monthly co-op/condominium assessments or dues. If applicable, the monthly amount of co-op or condominium association fees or operation and maintenance assessments.

Monthly principal and interest on debt for handicap accessible improvements. Principal and interest for major home repair, replacements, or improvements, if applicable.

Land lease payments where a family does not own fee title to the real property on which the home is located; [see 24 CFR 982.628(b)].

In determining expenses for recertification, RHA will use the following homeownership expenses (not including cooperatives) to only include amounts allowed by the RHA to cover:

- Current principal and interest on the mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home;
- Current real estate taxes and public assessments on the home;
- Current homeowner insurance;
- The current RHA allowance for maintenance expenses;
- The current RHA allowance for costs of major repairs and replacements;
- The current RHA utility allowance for the home;
- Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the RHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person;
- Land lease payments where a family does not own fee title to the real property on which the home is located; [see 24 CFR 982.628(b)].
- For a condominium unit, condominium operating charges or maintenance fees assessed by the condominium homeowner association.

Homeownership expenses for a cooperative member may only include amounts allowed by the RHA to cover:

- The cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home;
- Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt;
- Home insurance;
- The RHA allowance for maintenance expenses;
- The RHA allowance for costs of major repairs and replacements;
- The RHA utility allowance for the home; and
- Principal and interest on debt incurred to finance major repairs, replacements or improvements for the home. If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if the RHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.
- Cooperative operating charges or maintenance fees assessed by the cooperative homeowner association.

#### **IV. LEASE-TO-PURCHASE**

Lease-to-Purchase agreements are considered rental property and subject to the HCV tenant-based assistance rules. All regulations of the Homeownership Program will become effective at the time that the family exercises the option to use a homeownership voucher.

XV. **PORTABILITY**  
XVI. [24 CFR 982.636]

Subject to the restrictions on portability included in HUD regulations and RHA policies, a family may exercise portability if the receiving PHA is administering a voucher homeownership program and accepting new homeownership families. The receiving PHA may absorb the family into its voucher program, or bill the initial PHA.

The family must attend the briefing and counseling sessions required by the receiving PHA. The receiving PHA will determine whether the financing, and the physical condition of the unit, are acceptable. The receiving PHA must promptly notify the initial PHA if the family has purchased an eligible unit under the program, or if the family is unable to purchase a home within the maximum time established by the PHA..

VII.  
III. **DEFAULT**

If the family defaults on the home mortgage loan, the participant will not be able to use the Homeownership Voucher for rental housing. However, the family may reapply to the RHA HCV rental assistance program, provided the application process is open. If the family has not defaulted, but has documented a hardship, RHA will review the hardship and based upon extenuating circumstances, may allow the family to return to the HCV Rental Program. In order to return to the rental program, the family will be required to dispose of the homeownership unit prior to receiving any rental assistance.

**Recapture**  
IX. [24 CFR 982.640]

**RHA will not recapture the Homeownership Voucher payments unless there was an act of fraud or misrepresentation of a material fact in order to obtain a benefit.** The HCV Homeownership recapture provision does not apply to any other program funds that may be used in the transaction.

XX.  
XXI. **DENIAL OR TERMINATION OF ASSISTANCE**  
[24 CFR 982.638]

At any time, RHA may deny or terminate homeownership assistance in accordance with HCV program requirements in 24 CFR 982.552 (Grounds for denial or termination of assistance) or 24 CFR 982.553 (Crime by family members).

RHA may also deny or terminate assistance for violation of participant obligations described in 24 CFR Parts 982.551 or 982.633.

RHA must terminate voucher homeownership assistance for any member of family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage (whether FHA insured or non-FHA) securing debt incurred to purchase the home, or any refinancing of such debt.

RHA will terminate a family's homeownership assistance if the family violates any of the homeowner obligations, as well as for any of the reasons listed in the Statement of Homeownership Obligations, RHA's Statement of Homeownership Obligations, or violations of the Housing Choice Voucher Homeownership Program.

In making its decision to terminate homeownership assistance, RHA will consider alternatives and other factors. Upon consideration of such alternatives and factors, RHA may, on a case-by-case basis, choose not to terminate assistance.

Termination notices will be sent in accordance with the requirements and policies set forth in the program regulations and Administrative Plan.

An informal hearing will be provided for participants who are being terminated from the Program because of the family's action or failure to act as provided in 24 CFR 982.552. The rules and procedures set forth in the Section 8 Administrative Plan, entitled "Informal Hearings," will apply.

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## 2010 Five Year Annual Plan Public Comments

The HA advertised that the Five Year Plan was available for review and public comment from October 1 to November 15 2010 in the Lake County Leader, a paper of general circulation. One comment was received:

Karen Fick recommended that future units be constructed with accessibility in mind especially the showers. Although not disabled she does have problems with stairs and bathtubs.